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In Baghdad, Death Makes Bitter Point to Hostage

By Mark Fineman
Los Angeles Times Service

BAGHDAD — Gus Cero hardly felt like a hostage, although for 25 days he and thousands of other U.S. citizens had been forbidden to leave Iraq.

Mr. Cero and his colleagues had relaxed at poolside. He had played the guitar. There had been good food and drink, and he had found solace in the affection he had built up with the Iraqi people over the eight years he had worked here as a financial manager.

Last Saturday, Mr. Cero's father died. Word came by telephone from his home in New Jersey. It changed everything.

"It was pretty sudden; he had a heart attack," Mr. Cero, 37, said Monday in the diplomatic compound where he and 34 compatriots took refuge two weeks ago. Just as suddenly, Mr. Cero realized that he could not go home, that, despite the comforts, he was a hostage.

[An unidentified American hostage has died in Iraq, apparently of a heart attack, The Associated Press reported Tuesday from Washington. The State Department quoted Iraqi authorities as saying that the man, in his mid-50s, died in Basra and that the body would be turned over to the U.S. Embassy in Baghdad. Cable News Network said the man had been taken to Basra as a "human shield" against any U.S. attack.]

Mr. Cero and many other Americans here are caught up in a bizarre and ambiguous drama.

Tom, a friend of Mr. Cero who asked not to be further identified, said: "We're supposed to be blindfolded, locked in a cell and chained to the wall, but we're not. We're like Club Med hostages.

"But personal freedom? Yes, in that regard we are hostages. I have a life, I want to live that life, and I can't. And Gus can't go home for his father's funeral."

The mood among the Americans in Iraq is an eerie mixture of confusion and frustration, of remoteness and isolation.

Of the 35 U.S. diplomats stationed in Iraq, only nine remain at the embassy.

Those left behind to tend to the Americans here were among Western diplomats who spoke of "the endless psychological pressure" and "the dark uncertainty of just how barbaric these people are."

On the surface, the Iraqis, who officially refer to the Westerners as guests, have been anything but harsh. Indeed, if the Americans trapped in Iraq are prisoners, they are in the world's largest and most luxurious jail. Little is known of the 2,500 Americans in Kuwait, but the 500 or so in Baghdad were free to move about the city as they please. None were known to have been harassed by the authorities, and most continued to express strong affection for the Iraqi people.

For 41 others, the ordeal was different. They were among what a diplomat here called "soft targets" — principally oil workers rounded up from Kuwait's desert oil fields when the Iraqi Army overran the country Aug. 2, and passengers on a British Airways flight that had landed in Kuwait at the time.

The U.S. government knows who they are. Embassy officials met with all 41 every day at the two hotels where military authorities kept them until Aug. 16. On Aug. 17, they disappeared, presumably transferred to strategic sites in connection with President Saddam Hussein's "human shield" strategy.

"There's no doubt we're better off than those 41, but this is precisely what feeds the fear," said Bob Vinton, 58, a Baghdad-based businessman.

"Why take 41 hostages and leave the rest of us?" he said. "This is what no one can figure out. Saddam Hussein says it's because they were in Kuwait and we're in Iraq. But that could change overnight. It's uncertainty that causes panic, and a few are starting to panic."

As international sanctions began to have an impact on Iraqis, they would also have an impact on foreigners living alongside them.

"It's going to become increasingly difficult soon," Mr. Vinton said. "Food is quickly running out. It's going to be desperate times soon. People are going to start

See BAGHDAD, Page 3

Saddam Hussein Says Women and Children Are Free to Leave Iraq

Compiled by Our Staff From Dispatches

BAGHDAD — President Saddam Hussein said Tuesday that he would allow all women and children detained in Iraq to leave, Baghdad television reported.

The report quoted a spokesman for Iraq's ruling Revolutionary Command Council as saying that the president's decision came after a meeting with foreigners earlier Tuesday.

Mr. Hussein made the decision after he "was acquainted with their condition," the spokesman said, adding that the Iraqi leader was "deeply affected by the desire expressed by some women to have the freedom of staying or leaving."

"He ordered that all children and women enjoy the freedom of staying or leaving," the spokesman said. The order is effective Wednesday.

A spokesman for the State Department's Kuwait Task Force said Tuesday that U.S. officials had "no solid confirmation" of the report.

At least 10,000 Western nationals, including about 3,000 Americans, are trapped in Iraq and Kuwait. It was not known how many women and children are among them, nor was it clear whether the order applied to those held in Kuwait.

President George Bush, returning to Washington from Maine for a meeting with congressional leaders, did not comment directly on the decision to release some of the hostages.

But he warned: "I remain deeply concerned about the American and other foreign nationals held by Iraq. I will hold Baghdad responsible."

"Let no one abroad doubt our national unity and staying power," he said.

Mr. Bush repeated that the goal of the U.S. military buildup in the Gulf remained the "complete and unconditional withdrawal of all Iraqi forces from Kuwait."

He cited the international reaction to the invasion of Kuwait on Aug. 2, saying "world response to Iraq was a near unanimous chorus of condemnation."

"This is not the United States against Iraq," he said, "it is truly Iraq against the rest of the world."

"The basic elements our strategy are now in place," Mr. Bush said. "Our intention is to persuade Iraq to withdraw. We seek to achieve these goals without further violence."

Earlier, in a decree published in Iraqi newspapers, Mr. Hussein declared Kuwait a province of Iraq. The newspapers did not say when the decree was issued.

Iraq's longstanding claim to Kuwait is based on the fact that during the Ottoman Empire, Kuwait was part of the Basra governate, and the British split it up after World War I.

Under the decree Kuwait City was renamed Kadhima, which was its name before World War I, Iraq's director of information, Naji Hadithi, said.

The decree detached a few kilometers of Kuwait from the new province and made them part of the southern Iraqi province of Basra. The border strip was named Saddamiyat al Mitlaa, after Mr. Hussein.

Kuwait's exiled government called the decree "a conspicuous challenge" to international will. Saudi Arabia said it endangered peace efforts.

Iraq also said Tuesday that it would expel an unspecified number of U.S. diplomats from Baghdad in retaliation for Washington's expulsion of 36 Iraqi diplomats, the U.S. State Department said.

"Our chargé d'affaires in Baghdad was summoned by the Iraqi chief of protocol and told that the government of Iraq would take reciprocal action against our embassy in Baghdad," said the State Department spokesman, Margaret D. Tutwiler.

"The Iraqis have told us this would include reduction of our embassy staff in Baghdad and unspecified restrictions on available funds," she said.

Miss Tutwiler said it was unclear precisely what steps Baghdad planned to take.

The United States said Monday that it would expel 36 Iraqi embassy personnel and restrict 19 others in retaliation for Iraqi actions

See IRAQ, Page 2

On Page 3

To see the troops, a reporter in Saudi Arabia uses persistence, luck and a sign-up sheet.
Japan attached new conditions to the financial aid to help Middle Eastern countries.
For American soldiers hurrying to the Gulf, the waiting starts in Frankfurt.

Charles Cananini/The Associated Press

ROTATING IN — French transport helicopters landing on the aircraft carrier Clemenceau in Djibouti on the Gulf of Aden. The carrier is heading for the Gulf, accompanied by a cruiser and supply ship.

Iraqi Asks Bush and Thatcher to Debate

Compiled by Our Staff From Dispatches

NICOSIA — President Saddam Hussein of Iraq, meeting Tuesday with Western hostages, challenged President George Bush and Prime Minister Margaret Thatcher to a broadcast debate on the Gulf crisis.

On an Iraqi television broadcast, Mr. Hussein shook hands with an international group of two dozen hostages and patted children on the head. Then he delivered a half-hour defense of their detention and answered questions.

In his request for dialogue, he referred specifically to the American and British leaders.

"I am prepared now, really prepared, for direct talks, dialogue with Mr. Bush and Mrs. Thatcher, immediately," he said.

"To let the world know everything about the whole situation," he said, "let us have the debate between me and them on television for the whole world to see."

The Bush administration has repeatedly said that Iraq must withdraw its troops from Kuwait before negotiations can begin.

The State Department spokeswoman, Margaret D. Tutwiler, said Mr. Hussein's television appearance showed a "bizarre and warped sense of public relations."

"There nothing to dialogue on right now," she said. "The debate is long over."

Mrs. Thatcher was visiting Finland, and a spokeswomen in Britain said: "The bottom line is that he has to get out of Kuwait before any discussion can occur."

Mr. Hussein indicated no change in his position on the crisis. He accused Mr. Bush of behaving in an inhuman manner and said the hostages were there to save the lives of many more women and children who would die if war broke out.

It was the Iraqi leader's second televised meeting with Western hostages. The first, with a British group, was denounced by Western governments. It was not immediately clear what countries the foreigners were from this time, or when and where the meeting occurred.

A woman with a British accent asked Mr. Hussein why he was using children as pawns in "in something they can't understand."

He said in a long response that his hand was forced by Western troops massing in the region.

"I hope the hospitality forced upon you will not last long," he said.

In his defense of Iraq's action, Mr. Hussein stressed that the West should have no fear for oil supplies from the Middle East.

"The Arabs do not want to keep the oil in their pockets," he said. "They want to sell it to the Americans, Europe and Japan."

(Reuters, AP)

U.S. Sailors Board Ships in Gulf of Aqaba

Compiled by Our Staff From Dispatches

MANAMA, Bahrain — In what appeared to be the first time that it had searched a foreign ship since the Aug. 6 embargo was imposed in the Red Sea and the Gulf, the U.S. Navy boarded two vessels heading for the Jordanian port of Aqaba, Iraq's main ocean gateway, international shipping officials said Tuesday.

The freighter Zorba Express, of Caribbean registry, and the Indian freighter Kalidas were stopped Monday on suspicion of carrying supplies for Iraq. Both were allowed to proceed.

Lloyd's of London said that the port of Aqaba was at a virtual standstill, its huge trucking fleet idle.

U.S. and other ships patrolling Iraqi maritime approaches have United Nations authority to use force against vessels that ignore orders to stop. *(AP, AFP, IHT)*

A Puzzling Anomaly: Why Are Soviet Advisers Still in Iraq?

By Joseph Fitchett
International Herald Tribune

BRUSSELS — Soviet officials have told Western governments that Moscow is encountering unspecified difficulties in withdrawing its military advisers and technicians from Iraq, a senior official in NATO said Tuesday.

He said that Moscow had acknowledged to the United States and other Western nations that the advisers' presence violated United Nations sanctions, despite Soviet officials' public assertions that a legal loophole exempts the advisers from the military embargo on Iraq.

But despite Western insistence, Moscow — without fuller explanation — has apparently declined to give clear reassurances or a timetable for pulling out the Soviet advisers, who are reported to number 193.

"We are going to keep pressing harder to get them out, but it seems to be unclear exactly what their role is or what is holding up their departure," said the official, who spoke on condition that he be identified simply as an official in the North Atlantic Treaty Organization.

The official treated the issue as a puzzling anomaly in an otherwise strongly positive picture of Soviet cooperation in seeking to expel the Iraqis from Kuwait.

He characterized Moscow as having been "a good world citizen" in the confrontation so far by helping isolate Baghdad internationally, accepting the costs of placing an embargo on a Soviet trade partner and giving political support to the U.S. troops' deployment to Saudi Arabia.

Soviet policy, he suggested, should be interpreted as genuinely convergent with Western goals in the Gulf and not as just a diplomatic expedient designed to protect Soviet political and economic opportunities in the West or, even less likely, a tactic masking secret Soviet hopes of perhaps recouping some political influence in the region if anti-Western extremism gained the upper hand in some countries there.

Soviet strategists, he said, seem "genuinely convinced that it was a bad, dangerous step liable to desta-

See MOSCOW, Page 3

Israeli Government Alarmed by Chance Of a Deal in Gulf

By Jackson Diehl
Washington Post Service

JERUSALEM — The prospect that the Gulf crisis may be resolved through United Nations mediation has alarmed Israel's rightist government, which is intent on bringing about the destruction of Iraq's military potential and the downfall of President Saddam Hussein.

In public, senior Israeli officials insist that they are not advocating war between the United States and Iraq. Still, they say that the Middle East will remain unstable, and Israel will be severely threatened, if Mr. Hussein remains in power.

If Mr. Hussein "stays in power and retains the weapons, there will be grounds for concern here, in this region and I think throughout the world," Defense Minister Moshe Arens said in a television appearance. "I hope this will not be the way the crisis ends."

Commentators outside the government have put the argument even more forcefully.

"In truth," said an editorial in the newspaper Yediot Ahronot, "successful mediation of the crisis arouses fear, not because Israel delights in war" but because "a diplomatic compromise for the Kuwait crisis, leaving the Iraqi war machine intact and bringing about the withdrawal of American forces from the region, would mean that we would remain here alone with Saddam and his mad ambitions."

Senior government officials say they believe the mediation effort launched by the UN secretary-general, Javier Pérez de Cuéllar, may only derail what has been a steady buildup of U.S. pressure on Mr. Hussein, and they privately express concern about the apparent interest of President George Bush in the effort.

"We are puzzled about Bush's intentions," one official said. "We're afraid that because of the hostages, he may be losing the resolve we saw until now."

Another official close to the top leadership said that Israel does not oppose a diplomatic solution to the crisis as such, but feels strongly that there can be no compromise with Mr. Hussein.

"We would like Saddam Hussein to disappear one way or another," the official said. "We believe that if there is a diplomatic solution that is forceful enough, that humiliates him and weakens him enough, force may not be necessary."

As the crisis has shifted toward negotiation, Israeli officials have begun to fear that a settlement will again leave Israel with the job of facing Iraq militarily, a challenge that could eventually plunge Israel into another devastating regional war.

"The whole Middle East and particularly Israel would be in grave danger" if Mr. Hussein survives, said Zalman Shoval, the new Israeli ambassador to the United States. "We could end up facing the same conflict later on, under less auspicious conditions."

Behind this security concern, officials said, an equally intense Israeli political interest motivates the antagonism to UN mediation: preventing the Palestine Liberation Organization, an Iraqi ally, from reversing the political and financial blows it has suffered in the crisis.

In recent days, the PLO chairman, Yasser Arafat, has been promoting a compromise solution to the conflict that would involve an Iraqi withdrawal from Kuwait but tie it to a U.S. withdrawal from the Gulf and the staging of elections for a new Kuwaiti government.

Though potentially attractive to Western and Arab leaders eager to avoid a potentially devastating war, the prospect of such a compromise horrifies Israeli officials because it would restore the PLO as a power in the region and encourage Palestinians in and outside the occupied territories who have embraced Mr. Hussein as an Arab hero.

"You can imagine the legend that would develop: that Saddam faced the whole Western world and still was not defeated," one official said. "This would cause an explosion, not only here but in the moderate Arab states."

Israeli officials acknowledge that even a full-scale war between the United States and Iraq and the overthrow of Mr. Hussein could fail to change the character of the Iraqi regime. According to Israeli intelligence assessments, "there is no pro-Western alternative in Iraq," one senior official said. "Whoever succeeds Saddam very likely will not be much better."

For that reason, some Israeli analysts believe the main U.S. objective should be to cripple Iraq as a military power. "Don't define it as getting rid of Saddam," said a government source. "He can even stay, as a weak puppet. But the main thing has to be to stop Iraq as a threat to the Middle East."

Kiosk

A UN Accord On Cambodia

UNITED NATIONS, New York (AP) — The five permanent Security Council members agreed on plans Tuesday for a truce in Cambodia and UN administration of the country until a new government is elected.

The five — the United States, Britain, France, China and the Soviet Union — called on the Cambodian combatants to accept the entire plan, which includes a major role for the United Nations during a transitional stage leading to free elections. A key clause permits the United Nations to insure that elections are held in a neutral political environment. Page 2.

AP

The world's top-ranked tennis player, Stefan Edberg, was upset in the first round of the U.S. Open. Page 15.

Dow Close
Up 3.22
2,614.85

The Dollar In New York

DM	1.5559
Pound	1.943
Yen	143.77
FF	5.217

Crossword Page 6.

Science Sniffs Out Culprit in Damp Case

By Lawrence K. Altman
New York Times Service

WASHINGTON — Scientists have discovered the identity of the chemicals that produce underarm odor.

The culprits are two forms of a chemical that produces odors when exposed to certain bacteria.

The discovery is expected to spur researchers in the $1.6 billion deodorant industry to find more effective and longer-lasting products.

And because earlier research showed that underarm chemicals could influence the length and timing of the menstrual cycle, the new findings may also eventually point to novel methods of birth control and fertility enhancement.

The discovery was reported Monday at a meeting of the American Chemical Society by Dr. George Preti of the Monell Chemical Senses Center in Philadelphia.

The chemical Dr. Preti's team identified as producing the odor caused a flurry of excitement 21 years ago when other researchers linked its presence in sweat to schizophrenics. But that research was flawed, and scientists quickly found the same chemical in people who were not schizophrenic.

At the time, researchers did not try to link the chemical to underarm odor. And until Monday, most scientists appear to have forgotten about the chemical, 3-methyl-2-hexenoic acid.

In the new research, Dr. Preti's team identified two forms, or isomers, known as (E) and (Z) 3-methyl-2-hexenoic acid, as the chief cause of underarm odor. Isomers are molecules that contain the same atoms but in different arrangements.

Before the report on Monday, underarm odor was widely attributed to isovaleric acid and other chemicals and steroids like androstenone and androstenol. But Dr. Preti remained unconvinced. Odors produced by isovaleric acid and the other chemicals are "not what I smell after cutting the lawn on a hot Saturday," Dr. Preti said.

The body emits different odors that are characteristic of each area, some so distinctive that they can be readily identified.

The most pungent human odor comes from armpits, and for centuries many cultures have regarded it as so offensive that people have sought ways to suppress it at any cost. The odor has long been traced to the apocrine glands attached to hair follicles in the axilla, or armpit. Such glands are larger and more numerous in the axilla than elsewhere in the body. Males have many more apocrine glands than females.

Apocrine glands produce only minuscule amounts of secretions each day. The secretions are odorless and the odor comes from degradation of the secretions by the billions of harmless bacteria that live on everyone's skin. There are dozens of different types of microbes on the skin, and the microbial population is known as a flora.

The secretions from the glands in the armpit contain a complex mixture of compounds. In the past, they have not been well characterized, Dr. Preti said, and only some such compounds are responsible for the characteristic odors.

Dr. Preti and his team identified hexenoic

See ODOR, Page 2

UN Agrees on Plan To Run Cambodia When Truce Starts

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — The five permanent members of the UN Security Council announced agreement Tuesday on a comprehensive political plan for Cambodia and called on the Cambodian combatants to accept it in its entirety.

In what negotiators called a major breakthrough toward a settlement, the United States, the Soviet Union, Britain, France and China, all of whom have at one time supported one Cambodian faction or another, issued a statement saying they had agreed on five "indispensable requirements."

One of the negotiators in the eight-month-old talks, Deputy Foreign Minister Igor A. Rogachev of the Soviet Union, predicted a cease-fire "if everything is going smoothly" in a month or two.

The settlement includes a major role for the United Nations during a transitional stage leading to free elections.

A key clause, according to diplomats, permits the United Nations to insure that elections are held in a neutral political environment and, if necessary, to take control of five key ministries — foreign, defense, public security, finance and information.

UN peacekeeping and civilian forces are also to supervise disarmament, verify a cease-fire, help organize elections and make sure no foreign troops are left in the country.

If approved by the Cambodians and the full 15-nation Security Council, the new UN peacekeeping force will be known as UNTAC, or the UN Transitional Authority in Cambodia.

The five urged "acceptance of this framework document in its entirety" by all parties to the Cambodia conflict — the communist Khmer Rouge, its two noncommunist guerrilla allies, and the Hanoi-installed government in Phnom Penh. Those factions are due to meet in Jakarta in September to discuss acceptance of the plan.

The noncommunists welcomed the agreement on Tuesday, but there was no immediate response from the Khmer Rouge or from the Vietnamese-backed government.

"The question now is whether the Soviets and Chinese can bring their people on board," a U.S. diplomat said.

The Khmer Rouge receives its weapons and supplies from China; the Soviets back the Cambodian government of Prime Minister Hun Sen, which was installed by their ally, Vietnam. Washington backs the two noncommunist guerrilla factions, led by Prince Norodom Sihanouk and a former prime minister, Son Sann.

The key issues now, the American diplomat said, were to organize a cease-fire and elections so a new government can be established that is not dominated by the Khmer Rouge or the pro-Hanoi government now in power.

Vietnam invaded Cambodia in December 1978 to oust the Khmer Rouge, who presided over the deaths of up to 2 million Cambodians from starvation and executions during their brutal rule that began in 1975.

Under the plan, the Cambodians are to form a Supreme National Council until elections can be held. The United Nations would verify a cease-fire, supervise disarmament of the factions, help organize elections and ensure all Vietnamese forces leave Cambodia.

In a complicated disarmament procedure, the five proposed that the armies of each faction regroup in designated areas and store their weapons together, they said.

During the first phase, they would have access to their own arms but not carry them. In the second phase, both the combatants and the United Nations would have access, and in the third phase all weapons would come under UN control.

The key to the peace process is the composition of the national council, which is to be chosen by the Cambodian factions but not necessarily represent them in equal parts.

Officials from the noncommunist groups in the anti-Phnom Penh coalition said the UN agreement made it more likely the factions could agree on a council.

"We welcome the resolution because we think it is the best way to lead to an agreement on the formation of a Supreme National Council," said Ieng Mouly, secretary general of the Khmer People's National Liberation Front.

A Sihanouk supporter said, "We are happy with the permanent five resolution, and that is the resolution we would be working on."

The front and supporters of Prince Sihanouk have most to gain from a strong UN role. Both factions are weak on the battlefield.

The council would nominally govern Cambodia but might hand crucial powers over to the UN until free elections could be held, the diplomats said. It would, however, take over Cambodia's UN seat.

(Reuters, AP)

Reuters

Policemen restraining supporters of the Union of Democratic Forces at a protest in Sofia on Monday against the Socialist Party.

Bulgaria Socialists: New Name No Help

By Blaine Harden
Washington Post Service

The burning and looting of the headquarters of Bulgaria's governing Socialist Party in Sofia was an appropriately grim symbol for a stumbling and nearly bankrupt government that has emerged as the weakest in Eastern Europe.

The attack Sunday night, the most serious street violence in Bulgaria since the overthrow of the Communist leader, Todor Zhivkov, in November, was carried out by demonstrators protesting the continued presence of a huge illuminated red star atop the party headquarters, the largest building in the Bulgarian capital.

The National Assembly had not removed the star, although it voted earlier this month to "liquidate" symbols of the Communist past.

Prime Minister Andrei Lukanov said at a news conference that the police had been ill-prepared to stop or control the violence, during which looters entered the building and fled with computers, files, furniture, cases of liquor and at least one large smoked ham.

[A Sofia police official said that 39 people had been arrested and that at least 17, including two policemen, were injured, The Associated Press reported.]

Beyond the physical damage, the attack on the building seemed to punctuate a rapid political deterioration for a party that won a resounding democratic mandate just two months ago. Voters resisted the anti-Communist trend in Eastern Europe and handed the Socialist Party, the renamed former Communist Party, a ruling majority in the assembly.

Yet from the day the party announced its victory, in an election that was generally regarded as fair, it has demonstrated an inability to cure or even address Bulgaria's deep economic ills.

The long list of troubles includes severe shortages of sugar, cooking oil and detergents. The government cannot make payments on its $10.6 billion foreign debt and has been denied a crucial oil subsidy by the Soviet Union.

The United Nations trade embargo against Iraq ended an oil-for-old-debts arrangement that was the government's best hope for keeping the country's gasoline stations open.

Opinion polls reflect the failure of the Socialists to hold on to the support they were able to marshal in the June elections. By mid-August, polls showed that the opposition Union of Democratic Forces, which took 38 percent of the vote, had the support of 57 percent of those surveyed.

Besides losing the backing of the Bulgarian people, the Socialist government has also failed to win the trust of Western investors and donor countries.

Western diplomats and businessmen say they doubt the government's commitment to political and economic change. As countries like Poland and Hungary race one another to privatize government-dominated economies, there is strong evidence in Bulgaria that the Socialists interpreted their electoral victory as a signal that the system need not change rapidly.

The so-called free-market changes outlined by the Socialist government appear to keep the government and the party in control of the economy. Western economists say the proposed measures do not allow market forces to dictate prices or currency values.

The only workable option for Bulgaria, Mr. Lukanov has frequently said, is for the Union of Democratic Forces to join with the Socialists in a coalition government.

The Union of Democratic Forces, thus far, has refused. Its leaders say they would prefer that the Socialist government collapse and that new elections be held to choose a "non-Communist" government.

East German Leftists Throw Food at Kohl

Reuters

HALLE, East Germany — Leftist protesters hurled tomatoes and eggs at Chancellor Helmut Kohl of West Germany at a rally on Tuesday, but security men used umbrellas to prevent the objects from hitting their target.

About 100 leftists among a crowd of 5,000 drowned out Mr. Kohl with whistles and shouts complaining about the high cost of German reunification when he addressed a rally in Halle, 180 kilometers (110 miles) south of Berlin.

"If you want to see the result of 40 years of Communist rule, just look at these hooligans with blind hatred in their faces," Mr. Kohl said.

"A vote for the Communists is a vote for violence and state terror," the chancellor said, referring to East German state elections on Oct. 14 and an all-German vote on Dec. 2. East Germany is to merge with West Germany on Oct. 3.

The crowd in Halle was tiny compared with the 150,000-strong crowds which greeted Mr. Kohl when he barnstormed through East Germany in March.

Since then, unemployment has soared from next to nothing to about 350,000 in August, underscoring an economic decline accelerated by East Germany's exposure this summer to Western-style market forces.

Meanwhile, in Berlin, a West German Jewish leader sharply criticized a draft treaty on German reunification on Tuesday, saying it failed to mention the country's historical responsibility for Nazi war crimes.

Urging Mr. Kohl to change the treaty, the official, Heinz Galinski, said the chancellor assured him last month the document would stress Germans' moral debt to victims of Nazism.

But nothing was done, and the chancellor had disregarded follow-up inquiries, Mr. Galinski said.

Mr. Galinski said the government's failure to respond "is a terrible situation — an absolute disregard of not just the Jewish community but everyone victimized by Nazism."

There was no immediate reaction from the government.

Mr. Galinski, a survivor of the Auschwitz concentration camp and president of the Jewish Central Council, the umbrella organization for West Germany's 30,000 Jews, said that he had sent a letter of protest to leaders of Bonn's ruling coalition parties on Sunday but that none had responded.

Many Jews say they see a resurgence of anti-Semitism and racism among Germans — especially in the formerly Communist East — amid the national euphoria over reunification.

IRAQ: *Hussein Says He Will Let Women and Children Leave Baghdad*

(Continued from page 1)

against foreigners, particularly its forced closing of the U.S. Embassy in occupied Kuwait.

Miss Tutwiler said Washington would comply with Baghdad's order if it was issued within the framework of international law, but would not say if Washington planned another retaliatory move.

The staff of the Moroccan Embassy in Kuwait is being held hostage after being taken forcibly from the embassy to Baghdad, the Moroccan Foreign Ministry said.

It said the diplomats were prevented from entering the embassy building on Saturday, threatened with firearms and ordered to leave for Baghdad. On arrival in Baghdad, the Iraqi authorities told them they could not leave because they had lost their diplomatic immunity.

The Pentagon, meanwhile, said Iraq's troop strength in and near Kuwait had increased to 265,000 soldiers. "There's been a general trend in the past several days of these numbers increasing," a spokesman, Pete Williams, said.

The Pentagon has doubled its earlier estimate of the cost of its Gulf deployment to $2.5 billion by the end of September, or roughly $46 million a day, as Pentagon officials also reported that its sealift of tanks and equipment was suffering some breakdowns.

Mr. Williams said his initial estimate of $1.2 billion for the first two months of the deployment did not take into account the escalating cost of fuel, which has increased an average of $10 a barrel, he said; a doubling of the aircraft carrier battle groups dispatched to waters around the Arabian peninsula, and the call-up of thousands of military reservists.

The Pentagon also completed a new arms sale package to Saudi Arabia that could total as much as $8 billion and transfer 24 F-15 fighters to the kingdom immediately and another 24 early next year. The package was said by sources to include other weapons, including M-1 tanks, armored vehicles, artillery and Stinger anti-aircraft missiles.

The developments came as the United Nations secretary-general, Javier Pérez de Cuéllar, said he was intervening with Iraq to try to arrive at a solution to the Gulf crisis.

These were among other developments on Tuesday in the crisis:

- The flow of foreigners, overwhelmingly Arabs, fleeing Iraq and Kuwait regained momentum. Jordanian officials said Monday that almost 50,000 had crossed into Jordan since Friday.
- The British defense secretary, Tom King, flew from London for high-level talks in Saudi Arabia and to see British forces in the region.
- The military chiefs of nine Western European nations met in Paris under the aegis of the Western European Union to work out plans to enforce the UN embargo on Iraq.
- In Kuwait, the U.S. and other missions remained with water and electricity cut off under a baking sun. Iraqi troops continued to surround the buildings.
- A total of 52 dependents of U.S. diplomats assigned to Kuwait — and prevented for a time from leaving Baghdad — left Turkey for the United States on Tuesday. Three young men from the group who were older than 18 were not allowed to leave Iraq.

Hundreds of thousands of foreigners are trapped in Iraq and Kuwait. About 70 Americans have been seized by Iraqi troops in the two countries and their whereabouts are unknown.

(Reuters, AP, WP)

ODOR: *Scientists Sniff Out Culprit in an Old Mystery*

(Continued from page 1)

acid as the chief producer of underarm odor, although other compounds may yet be identified that contribute in a lesser way to the problem.

Dozens of experts have smelled the hexenoic acid found in the research, he said, "and the consensus is that we have the real stuff here."

The discovery was made in research with six male volunteers who worked at the Monell center. None used deodorants or soap for a week before they began the study, which lasted two weeks.

Then the volunteers washed with a nondeodorant soap once a day before wearing cotton pads in their armpits for eight hours. At the end of each period, the men put the pads in a jar and froze them until Dr. Preti's team was ready to do laboratory tests.

The scientists used chemical processes to extract more than a hundred compounds from each cotton pad. Then the researchers used a variety of techniques like gas chromatography and mass spectrometry to separate the compounds.

The scientists did not know the identity of many compounds because no one had done this research before. Even when they found the chief culprit, they still did not know what it was.

As they continued their detective work, the researchers collected the characteristic axillary odors as they emerged from the chromatograph in a "cold trap." They then added solvents and other chemicals to eliminate and restore the odor. They found the odorous compounds they detected contained 6 to 11 carbons, fewer than the 19 carbons in the odorous steroids.

Then, after using other methods, including mass spectroscopy and nuclear magnetic resonance, they began to suspect that the culprit was a form of hexenoic acid. But they could not prove that it was the compound until they specifically ran it through the same series of tests. Because no one had a use for hexenoic acid, researchers had to synthesize it. The tests on it clinched the findings.

Scientists have long known that individuals vary in both the degree of odor they produce and what they can smell. Dr. Preti's team also plans to try to learn how many people are unable to smell the hexenoic acid.

The findings could be crucial to the deodorant industry as it seeks to develop new products to reduce the amount of the parent compound formed and to inhibit production of the enzymes and bacteria that help in the conversion to hexenoic acid.

Angolan Foes Hold a Meeting

Reuters

LISBON — Angola's leftist government and U.S.-backed rebels met again Tuesday to seek a peaceful way out of their deadlocked 15-year civil war.

On the second day of talks at a military installation in a Lisbon suburb, Portuguese mediators tried to get the foes to agree on basic points of a cease-fire accord.

DEATH NOTICES

ISELIN, Lewis

sculptor, died August 10th after short illness in his house in Camden, Maine 04843, U.S.A. Burial to be announced later.

WORLD BRIEFS

U.S. Links Libya to Raid on Israel

WASHINGTON (Reuters) — The United States has accused Libya of direct involvement in May's unsuccessful Palestinian attack on Israeli beaches, calling it a clear example of state-sponsored terrorism.

"We have conclusive evidence from U.S. sources that Libya was behind the attack," a State Department official said Tuesday. He said Washington had passed its findings on to Tripoli but added, "I'm not aware that we've had a response from them or that we expect one."

The Palestine Liberation Front led by Abu Abbas claimed responsibility for the May 30 attack, in which a group of guerrillas attempted a sea assault on beaches near Tel Aviv. Four of the group were killed and 12 captured. No civilians were hurt but it caused Washington to suspend its dialogue with the Palestine Liberation Organization, which refused to condemn the attack by the Abbas faction.

Colombia Security Units Seize Ranch

MEDELLIN, Colombia (AFP) — Colombian security forces have detained the father of three top members of the Medellín drug ring, Fabio Ochoa, and seized control of his horse-breeding ranch on the outskirts of Medellín.

Mr. Ochoa was being held at his ranch along with his wife and about 30 workers after the security force operation Monday night, army spokesmen said. They described the action as "precautionary" and said it was directed at the ranch rather than at Mr. Ochoa, whose sons Jorge Luis, Juan David and Fabio are reputedly top lieutenants of the drug ring leader, Pablo Escobar Gaviria.

Jorge Luis Ochoa, who once avoided extradition to the United States from Spain and later escaped from a Colombian prison, is believed to be the third-ranking man in the drug ring. A $500,000 reward has been offered for his capture.

Rebels Open New Front in Sri Lanka

COLOMBO (NYT) — As Sri Lankan troops inch toward Jaffna Fort along a causeway carpeted with mines, guerrillas have opened another front on the east coast with an attack on an army camp at Mullativu, a government spokesman said Tuesday.

One soldier was killed and dozens have been wounded at Mullativu since fighting began Sunday, the spokesman said. He added that a large force of guerrillas belonging to the Liberation Tigers of Tamil Eelam group had pinned down the army there, making it impossible to evacuate the wounded.

In Jaffna, the army said it had been able to land a helicopter inside the fort on Sunday to supply food and a few additional soldiers to assist embattled troops and policemen trapped there since June. Seven men were evacuated for medical treatment.

Aquino Rejects Call for Resignation

MANILA (Reuters) — President Corazon C. Aquino, facing threats of another coup attempt, rejected demands on Tuesday by rightist army rebels for her resignation, calling them an insult to democracy.

Paramilitary policemen bearing M-16 rifles were at key buildings Tuesday as part of increased security in the capital. The 17th bomb in just over two weeks exploded early in the day, shattering windows but causing no injuries at the offices of the Manila affiliate of the Japanese automaker, Nissan.

Marking the anniversary of a 1987 coup attempt, army rebels under a renegade colonel, Gregorio Honasan, had issued a statement telling Mrs. Aquino to resign or "reap the anger and hatred of the Filipino people." The president responded by calling "these traitors an insult to our people and democratic institutions."

Union's Officials Held in South Africa

JOHANNESBURG (NYT) — The police raided the Johannesburg headquarters of the biggest African labor federation in South Africa and arrested several senior officers after union members purportedly abducted an undercover agent, assaulted him and obliged him to address a news conference.

The police said the detained members of the Congress of South African Trade Unions, including Secretary-General Jay Naidoo and Assistant Secretary-General Sydney Mufamadi, had been seized on criminal charges. The federation is allied to the African National Congress and the South African Communist Party.

Earlier, the purported agent was introduced to reporters at a news conference shortly before the police raid.

Jeb Bush Hooks President's Ear

WASHINGTON (UPI) — President George Bush's right ear lobe was punctured by a fish hook cast by his son Tuesday, but the incident did not prevent the president from fishing for another hour, his spokesman said.

Mr. Bush, a frequent fisherman while at his summer home in Kennebunkport, Maine, was fishing with Prime Minister Brian Mulroney of Canada when he was hooked by his son Jeb. The White House press secretary, Marlin Fitzwater, speaking as Mr. Bush flew back to Washington, described the president as fine.

For the Record

The Soviet Union and Albania agreed to renew direct trade relations on Tuesday, the Tass press agency said. They recently restored diplomatic ties after a 30-year break. Tass said the two nations had agreed on a trade accord for this year, under which Albania would deliver cigarettes to the Soviet Union to help ease a chronic shortage of tobacco. *(Reuters)*

TRAVEL UPDATE

Landslides Isolate Nepal's Capital

KATMANDU, Nepal (Combined Dispatches) — Landslides caused by floods and heavy monsoon rains have blocked all roads leading to Katmandu, isolating the capital from the rest of the Himalayan kingdom, bus operators said Tuesday.

At least 20 Nepalese were drowned by the floods in Chitwan National Park, and 17 foreigners were rescued by army helicopters. Chitwan, home to rare white rhinos and tigers, is one of Nepal's major tourist centers. The tourists were from Britain, Australia, Italy, Spain and France, an witness said. *(UPI, Reuters)*

The U.S. State Department has warned American citizens to avoid traveling to northern and eastern El Salvador because of leftist guerrilla activity. The warning followed an attack on civilians by rebels of the Farabundo Marti National Liberation Front, which coincided with peace talks with President Alfredo Cristiani's government. *(Reuters)*

Niger's international airport was closed on Tuesday as the civil aviation union called a 24-hour strike to support taxi drivers and road hauliers, who began a two-day stoppage Monday in Niamey. The transport unions want a stop to the recruitment of foreigners as drivers by embassies and national transport companies. *(AFP)*

WEATHER

	EUROPE HIGH C	F	LOW C	F		ASIA HIGH C	F	LOW C	F	
Amsterdam	17	63	13	55	cl	Bangkok	33	91	26	79	r
Athens	33	91	26	79	s	Beijing	28	82	18	64	s
Barcelona	32	90	23	73	s	Hong Kong	32	90	27	81	r
Belgrade	28	82	16	61	s	Manila	32	90	26	79	r
Berlin	26	79	15	59	s	New Delhi	36	97	26	79	s
Brussels	22	72	13	55	c	Seoul	32	90	23	73	s
Budapest	28	82	16	61	s	Shanghai	32	90	27	81	s
Copenhagen	22	72	13	55	c	Singapore	32	90	26	79	t
Costa Del Sol	32	90	22	72	s	Taipei	33	91	27	81	t
Dublin	20	68	14	57	c	Tokyo	29	84	25	77	t
Edinburgh	20	68	12	54	c						
Faro	31	88	20	68	s	**AFRICA**					
Florence	32	90	18	64	s	Algiers	32	90	17	63	s
Frankfurt	24	75	14	57	c	Cape Town	17	63	11	52	cl
Geneva	29	84	15	59	s	Casablanca	24	75	17	63	s
Helsinki	22	72	11	52	c	Harare	27	81	12	54	s
Las Palmas	27	81	21	70	s	Lagos	27	81	24	75	s
Lisbon	31	88	20	68	s	Nairobi	27	81	15	59	s
London	22	72	14	57	c	Tunis	28	82	21	70	s
Luxembourg	22	72	13	55	c						
Madrid	37	99	19	66	s	**LATIN AMERICA**					
Milan	32	90	18	64	s	Buenos Aires	—	—	—	—	ns
Moscow	24	75	14	57	c	Lima	18	64	14	57	s
Munich	26	79	15	59	s	Mexico City	25	77	14	57	t
Nice	29	84	20	68	s	Rio de Janeiro	—	—	—	—	ns
Oslo	21	70	12	54	c						
Paris	26	79	16	61	s	**NORTH AMERICA**					
Prague	26	79	14	57	c	Anchorage	17	63	11	52	sh
Reykjavik	12	54	7	45	r	Atlanta	35	95	22	72	s
Rome	31	88	17	63	s	Boston	31	88	23	73	s
Stockholm	22	72	14	57	c	Chicago	32	90	22	72	s
Strasbourg	28	82	15	59	s	Denver	31	88	19	66	s
Venice	30	86	20	68	s	Detroit	32	90	19	66	s
Vienna	28	82	15	59	s	Honolulu	32	90	26	79	sh
Warsaw	26	79	14	57	s	Houston	31	88	24	75	t
Zurich	26	79	14	57	s	Los Angeles	31	88	22	72	s
MIDDLE EAST						Miami	34	93	27	81	t
Cairo	33	91	22	72	s	Minneapolis	31	88	25	77	s
Istanbul	Q27	81	21	70	s	Montreal	32	90	22	72	s
Manama	38	100	29	84	s	Nassau	33	91	25	77	t
Riyadh	42	108	25	77	s	New York	33	91	23	73	s
Tel Aviv	31	88	23	73	s	Phoenix	42	108	28	82	s
OCEANIA						San Francisco	27	81	17	63	pc
Auckland	—	—	—	—	ns	Seattle	25	77	14	57	s
Sydney	20	68	9	48	fr	Toronto	30	86	17	63	s
						Washington	35	95	23	73	s

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Slightly cheney. FRANKFURT: Fair. Temp. 31 — 17 (88 — 63). LONDON: Fair. Temp. 27 — 17 (81 — 63). MADRID: Stormy. Temps. 33 — 17 (91 — 63). NICE: Fair. Temps. 32 — 20 (90 — 68). PARIS: Stormy. Temps. 30 — 17 (86 — 63). ROME: Stormy. Temps. 29 — 18 (84 — 64). TEL AVIV: Not available. ZURICH: Fair. Showers. Temps. 30 — 24 (86 — 75). HONG KONG: Temps. 31 — 22 (88 — 72). MANILA: Rain. Temps. 30 — 25 (86 — 77). SEOUL: Cloudy. 28 — 23 (82 — 73). SINGAPORE: Fair. Temp. 30 — 26 (86 — 79). TOKYO: Cloudy. Temps.

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Denmark	D.Kr.	3,100	1,268	1,700
Finland	F.M.	2,000	1,276	1,100
France	F.F.	1,600	1,312	880
Germany (mail)	D.M.	600	419	330
— *hand delivery	D.M.	758	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	39,800	18,000
— hand delivery Athens	Dr.	41,000	31,800	23,000
Ireland	Ir.	155	118	85
Italy	Lire	420,000	380,800	231,000
Luxembourg	Lfr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,250	2,118	1,200
— **hand delivery	N.Kr.	2,700	1,668	1,480
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	35,000	25,060	19,200
— ***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	22,060	20,900
— ***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
— **hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	446	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

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FACE-OFF IN THE GULF: A waiting game for soldiers en route, a frustrating game for correspondents in the field

Japan Aid Is Linked To Talks

Delay Is Foreseen For Help in Gulf

By James Sterngold
New York Times Service

TOKYO—Japanese officials attached new conditions on Tuesday to the financial aid pledged last week to help Middle Eastern countries hurt by the trade embargo against Iraq.

The new conditions are likely to slow the rate at which the support is delivered and make it contingent on contributions from other countries, principally the United States.

"Japan should make a significant contribution in this field, but there is a limit to what any one country can do," a senior Finance Ministry official said at a briefing.

"An international network of support might be necessary," the official said.

He said this meant that Japan would try not to act on its own, but would seek to be part of an aid consortium that would include the World Bank, the International Monetary Fund, the United States and other industrialized nations.

The comments marked a change in tone from last week, when government officials said Japan was preparing to offer billions of dollars in support to nations that were participating in the embargo. The government was targeting mainly Jordan, Egypt and Turkey.

The government now appears to be tempering global expectations about how much Japan would contribute and the terms under which it would make loans, grants or other forms of aid available. Japan has initiated programs to help recycle the vast trade surpluses racked up in recent years, but it has fought against developing an image as a "cash dispenser machine" for aid, as one official put it.

The Japanese Constitution restricts the use of military forces in international disputes, and the government has been engaged in an internal debate over how it can directly participate in the embargo without changing the law or jeopardizing political support at home.

Every day, newspapers have carried accounts of the positions of different political and government leaders, and some editorials have criticized them for worrying more about what they could not do than what they could do to help resolve the Gulf crisis.

Several officials had seized on financial aid to the Middle Eastern countries as a form of support that was not restricted under the law, but that would mark a positive Japanese contribution. These officials had said a package of low-interest loans and other forms of aid would be announced shortly to demonstrate Japan's commitment.

On Wednesday, Prime Minister Toshiki Kaifu is expected to report on his long-awaited package of concrete measures for bolstering the multinational forces opposing Iraq. But already, many officials are saying he will refer only to preliminary steps.

According to press reports, the measures are expected to include sending medical personnel to the Gulf region, refugee aid and transportation equipment, and perhaps chartered jets and ships. The second part of the package, the financial measures, is now expected to be incomplete and contingent on talks with other countries.

Japan is more dependent on Middle Eastern oil than any other industrialized nation, obtaining 70 percent of its crude from the region. Shortly after Iraq invaded Kuwait, Japan froze the assets of the two countries and decided to join the trade embargo. Getting beyond those initial steps has proved difficult.

The note of caution sounded by the Finance Ministry official irritated some aides in the Foreign Ministry, who had hoped for a quicker and more decisive response to promote Japan's image as a leading player in international issues.

"If we miss this wave, the wave will be gone," a Foreign Ministry official said. "This is frustrating for us."

For GIs Hurrying to the Gulf, Frankfurt Is Where the Waiting Starts

By Marc Fisher
Washington Post Service

RHEIN-MAIN AIR BASE, West Germany — They have been traveling for 20, 40, sometimes 60 hours, and when they finally land here at the pivot point of the largest U.S. airlift in decades the troops are ready to resume practicing the primary military maneuver of the Gulf crisis thus far, the HUAW.

That, a group of fighter jet pilots explain, is military jargon for "hurry up and wait."

This is the last rest stop before the Gulf. It is where soldiers already dressed in desert fatigues plop themselves under a tree for their last shuteye in a temperate climate. It is where troops storm the PX and stock up on cassettes, junk novels and candy bars.

Since U.S. forces began pouring thousands of troops and millions of pounds of supplies and equipment into the Gulf region, Rhein-Main, the American base that shares runways with Germany's busiest airport, Frankfurt International, has become the stopover point for a large chunk of the airlift.

The U.S. Air Force's 435th Tactical Airlift Wing is handling four times the usual amount of air traffic; a tent city has sprouted just off the main runway, and news-starved soldiers are buying up towering stacks of USA Today and The Stars and Stripes, the military daily.

"It's been so busy, there are times when we have aircraft sitting on the runway waiting for a parking spot," said Colonel Thomas Mikolajcik, commander of the 435th. Although the air force will not divulge the number of C-5 and C-141 transports that land here each day, West German officials say the flow into Rhein-Main has shot up from about 40 a day to 80 a day in the last three weeks.

With many of the base's 4,000 military personnel working 12-hour shifts, their commander's chief concern is to make sure their collective energy is not exhausted.

"This is not like Grenada or Panama," Colonel Mikolajcik said. "They were sprints. This is a marathon. We must pace ourselves to do this next week, next month and however long this goes on."

The heavy load is straining not only human but also mechanical capacities. Although the commander denied it, maintenance workers at Rhein-Main said the frequent and heavy loads of recent weeks had produced structural wing cracks on several C-141 Starlifters, which were made in the mid-1960s.

"Some of them are flying with weight restrictions because of the problems," said Sergeant Thuron Bowman, a maintenance worker at the base. "But they're tough old birds. And we don't let them leave here with problems."

Attitudes toward President Saddam Hussein of Iraq and the mission in the Gulf vary considerably. Although many in one planeload of marines said they were itching to "do something already," others were in no hurry to see any action.

"It's not for me to decide," said Lance Corporal Jeff Waller of Duluth, Minnesota. "I'm a soldier. I go where I'm told. I don't have to like it."

"I'd rather be going over and waiting there than sitting home and watching TV," said Major Craig Wilcox, an F-15E pilot who arrived in Germany from Phoenix. "By the way, you could use CNN here. It's hard to know what's going on down there."

Virtually alone among Western European countries, West Germany refuses to carry the U.S. news channel on its government-controlled cable system.

Captain Randy Garrett, another pilot, sat thumbing through a pile of newspapers, waiting for his flight to the Gulf. "It's going to be an awful lot of this, sitting and waiting," he said. "I brought a baseball glove and a ball and a few decks of cards. We're well prepared to wait Saddam out."

Not everyone is so patient. Several groups of West German citizens have begun organizing protests against the dramatic increase in U.S. flights at Rhein-Main, complaining that the airlift, which is conducted largely at night, has made it impossible to sleep within 20 miles (32 kilometers) of the base.

"There is no full hour in which one can sleep," said Rolf Denk, the leader of Interested Citizens Against Flight Noise. "These planes come in low, and it sounds like a dentist drilling. It's painful. We are the punished ones here, not Iraq."

Mohamed Ibrahim/The Associated Press

SIGNING UP — Saudi Arabians gathering outside a Saudi National Guard office in Jidda. Thousands of Saudis are enlisting following the Iraqi invasion of Kuwait.

King's Diplomatic Push Is Sign of New Doubts About Iraq in Amman

By Nora Boustany
Washington Post Service

AMMAN, Jordan — King Hussein's new push for a diplomatic solution to the Gulf crisis reflects growing misgivings here about Amman's association with Baghdad, according to several prominent Jordanians.

The king is touring Arab capitals this week seeking consensus on a formula for an Iraqi pullout from Kuwait, and a Jordanian politician said the king would try to persuade Iraq's president, Saddam Hussein, "to give a signal for withdrawal" with Arab backing.

Jordan will also be host to a meeting set for Thursday between the United Nations secretary-general, Javier Pérez de Cuéllar, and Foreign Minister Tariq Aziz of Iraq.

The masses in Jordan, a largely Palestinian country, still appear to support Saddam Hussein. But increased domestic pressure on King Hussein to distance Jordan from Iraq is coming from a small but influential minority of this country's elite, which has begun to speak out openly against what they say are mistakes and pitfalls the king should have avoided.

"I would have condemned the invasion and Iraq from Day One," a Jordanian senator said. He said the king tried to call Saddam Hussein at 6 A.M. on the day of the invasion, hoping to reason with him, upon being alerted by Saudi Arabia of the Iraqi thrust into Kuwait.

"Saddam did not come to the phone," the senator said. "His majesty called again at 9. He still could not speak with the Iraqi president. They did not hear until 1 in the afternoon, and by then it was all over. I don't see how such an infringement was going to be employed to cater to Arab needs."

The king has privately complained in recent days to one confidant of the difficulties he has encountered in dealing with Saddam Hussein and explaining his actions to the world when he chooses to act independently and without advance notice on vital and dangerous matters.

Irritation with the Iraqi leader's blitz tactics in the early stages is beginning to show despite his unquestionable popularity among a broad range of Jordanian society.

Some politicians, businessmen and individuals are beginning to express reservations, according to Taher Masri, head of a parliamentary committee on foreign relations.

"The mainstream and the great majority of Jordanians still support Saddam, but people are beginning to think in terms of Jordan," Mr. Masri said. "The economic damage we expect is going to be devastating. Tens of thousands of Jordanians who used to work in Kuwait are now among us with their families, their cars, their problems and their worries."

Plenty of Sweat but No Blood or Tears for Desert Reporters

By Michael R. Gordon
New York Times Service

IN SAUDI ARABIA — At the combined Joint Information Bureau, the sign-up sheets for the day's press activities have long been filled.

The 5:30 A.M. trip to a spot where a group of Marines is deployed north of here was filled long ago. The sign-up sheet for the midday background briefing by a senior Western diplomat, limited to 10 participants, has a list of names that runs down the sheet and onto the other side of the paper.

This is how both the writing press and reporters for television and radio cover the deployment of American forces in Saudi Arabia.

The result is news reports that are long on accounts of sweaty troops in the desert but do little to explain how, or whether, the American military can fulfill its mission of defending Saudi Arabia.

After hearing the press clamor to be admitted to Saudi Arabia, the Saudis have partly opened the floodgates. Last week, about 80 reporters were registered at the information center. Now the number is 250 and is climbing.

The journalists are in the hotels, and the troops are in the desert.

To see the troops in the field, a reporter relies on the good graces of public affairs officers, persistence, luck and the sign-up sheet. The public affairs office, with a staff of 16, operates 24 hours a day, functioning as a kind of combination travel agency and military escort.

Journalists must be escorted on trips to the field. Once there, the reporters are free to talk to soldiers. The problems lie first in getting there and then in staying with the soldiers long enough to break down the barriers.

But the strict rules imposed by the military for reporters working here also change the nature of the reporting. The most basic questions go unanswered.

"The big thing that is missing is exactly what they do not want us to know — where the troops are, how many there are and what they are going to do," said Peter M. Copeland, the Pentagon correspondent for Scripps Howard News Service.

Even when reporters manage to learn about deployments here, they are not allowed to publish much of the information. Reporters are prohibited from mentioning the number of troops or even the location of large installations well known to the Iraqis. The prohibitions are spelled out in a series of rules that reporters are given when they register at the information center to cover the American military forces here.

The club the military uses to enforce these rules is this: no more access to the troops.

Captain Michael Sherman, who runs the information center, says the restrictions are needed to keep secret information that Iraq could use against the United States. Some reporters acknowledge that the initial deployment of American troops here was so small that disclosure of deployment information might have invited attack.

But as the American forces have grown and the military has become more secure in its ability to carry out its mission, the brass has done little to explain the big picture. There are, as yet, no regular briefings. Interviews and meetings with senior military commanders are rare.

All of which has led some reporters to observe that the insular, tradition-bound Saudis are more open than the Americans.

"I think the Saudis are more open than the U.S. military people," said John Fialka, a correspondent with The Wall Street Journal, who said the Saudis had arranged meetings with top intelligence, Foreign Ministry and military officials.

"The U.S. military is very wary of producing commanders," he said.

Operating with staff members from the Saudi Embassy in Washington, the Saudis have also begun to arrange trips to the field, such as a recent expedition to see Arab troops near the border.

The foreign reporters, for their part, have not always properly reciprocated the Saudi hospitality, and on occasions have been downright unruly. When Defense Secretary Dick Cheney visited a major air base here, a surge of television crews and other members of the press, jostled Brigadier General Turki ibn Nasser, the commander of the base and a member of the Saudi royal family, who retreated to a nearby bus.

An Australian Sees Bush Golf And Quits Ship

Reuters

PERTH, Australia — An Australian sailor who jumped ship last week on its way to the Gulf said he did so after seeing news film of President George Bush playing golf.

The unidentified sailor said in a statement Tuesday that after seeing Mr. Bush "on holidays, playing golf while committing thousands of young lives including those of Australians — it was enough for me to decide not to be part of the killing."

"I am not a coward, and I would be prepared to die for my country," the sailor, 23, said. "But I am taking a political stand because this is not our war; we are just following the Americans."

Two Australian frigates and a supply ship with a combined crew of about 600 left Perth for the Gulf on Aug. 22. The sailor failed to return to the frigate Adelaide before it left. He is under arrest. A navy spokesman said he had not been charged and was not regarded as a deserter because Australia is not at war.

MOSCOW: U.S. and Arab Forces Under Separate Commands

Delay in Pullout

(Continued from page 1)

bilize the whole region" when President Saddam Hussein of Iraq invaded Kuwait and created a military conflict.

Asked about the possibility that hard-line Soviet military leaders might be acting without the full knowledge of President Mikhail S. Gorbachev, the official indicated that Western governments had not seen any evidence that the military was trying to embarrass the political leadership.

The crisis, which could have inflamed Soviet conservatives' opposition, has apparently been handled domestically by Mr. Gorbachov skillfully enough, the NATO official said, so that there has been no slowdown in moves toward East-West accommodation in Europe.

Soviet concern about the dangers of hostilities in the Gulf were voiced Monday by Gennadi I. Gerasimov, the Foreign Ministry spokesman, who said that the U.S. decision Monday to expel Iraqi diplomats could accelerate "the spiral of escalation and aggravate the situation."

Mr. Gerasimov reiterated that Moscow was seeking to "punish the aggressor" and force Iraq out of Kuwait. He said that, although the Soviet experts in Iraq were legally not violating the arms embargo, "there is a moral aspect to that problem, so we recognize that and are looking into it."

In explaining Moscow's attitudes in the crisis, NATO officials have stressed the impact of Soviet strategists' reluctance to assume military burdens of any kind — either taking sides in a regional conflict or even playing a assertive role in enforcing the embargo.

Foreign Minister Eduard A. Shevardnadze offered an insight when he said that the Soviet Union was backing the Security Council resolution authorizing force to apply sanctions "because other countries are able to carry it out."

By David B. Ottaway
Washington Post Service

RIYADH — Saudi Arabia has set up separate commands to coordinate Arab and American troops in the kingdom and has obtained a commitment from President George Bush to consult King Fahd before launching any action against Iraq from Saudi territory, the top Saudi officer for both commands said Tuesday.

Lieutenant General Khalid ibn Sultan, the commander of the Saudi air defense forces, said that American troops would remain under a separate U.S.-Saudi command but would coordinate closely with Arab and other forces that have been placed under his overall command.

But he left unclear whether there was any agreement among all the Arab, Islamic, American and European forces assembling here and elsewhere in the Gulf about what would constitute an Iraqi provocation triggering either a separate or joint response or under what circumstances the Arabs would join an American-Saudi attack on Iraqi forces in Kuwait.

As more and more nations send troops, planes and ships here, the question of who commands whom and how any military activities are to be coordinated has become murkier. Also unclear is how any possible unilateral American action or a U.S.-Saudi one would affect the Arab and other Western forces stationed here.

General Khalid, making his first appearance before Western reporters since Iraq invaded Kuwait on Aug. 2, was bombarded with questions about command structure and decision making among the various Arab, Asian and Western forces involved in Saudi Arabia's defense.

He is not only commander of the Joint Arab-Islamic Forces, made up of troops from Morocco, Egypt, Syria, Bangladesh, five other Arab Gulf states and mujahidin from Afghanistan, but is also the Saudi counterpart of the leader of the U.S. Central Command, Lieutenant General H. Norman Schwarzkopf, on the Saudi-U.S. command.

Asked whether the Saudis or the Americans were in command, General Khalid said that in military tactics there were "always areas of responsibilities," but he refused to go further into the question. "Otherwise, we are letting the enemy know what's our plan," he said.

But he said that he and General Schwarzkopf were coordinating "very closely" and knew "exactly what to do if a crisis occurs."

In reply to a question whether the United States had to consult with Saudi Arabia before taking any unilateral action, General Khalid replied, "I'm sure that any action done from Saudi soil — I know for a fact that it has to be consulted about between King Fahd and President Bush."

General Khalid said he was unable to say whether the Joint Arab-Islamic Forces would become involved in a U.S. or an American-Saudi attack on Iraqi forces in Kuwait and Iraq. "It has to be discussed," he said.

But he seemed to disagree with the U.S. Senate's Armed Services Committee's chairman, Sam Nunn of Georgia, who said Monday that there were not enough Arab, particularly Egyptian, forces here.

"I can say that we have sufficient troops between all the forces," he said.

Asked whether Saudi Arabia, the United States had Britain had agreed on what would constitute an Iraqi threat or provocation, General Khalid said that they had agreed to defer the question to Mr. Bush, King Fahd and Prime Minister Margaret Thatcher.

He sidestepped a question whether Saudi military planners agreed with those American officials who were urging a massive strike against Iraq if war broke out, saying only that "I'm sure we have to react quickly."

General Khalid made it clear that plans had already been set in motion to considerably expand the Saudi armed forces and weapons purchases.

"Saudi Arabia never planned in the past that we would be faced with conflicts with Iraq," he said. "We thought that they were our brothers."

"I can see a problem for us in the future," he said, adding that "we have to increase our capabilities, and we will."

He said the Saudis had begun discussing the matter of new arms purchases with the Bush administration and various European governments. Reports circulating in diplomatic circles say that the United States is putting together a $6 billion to $8 billion arms package for the kingdom.

The general said he had not given any thought yet to whether Saudi Arabia should allow the United States in the future to stockpile war matériel in the kingdom.

He is a graduate of the Sandhurst Military Academy in Britain but received most of his advanced training in the United States.

BAGHDAD: *Death in New Jersey Further Maroons a Hostage in Iraq*

(Continued from page 1)

getting thin fast. They'd better do something quick out there to solve it."

Lines have started forming for bread in the early mornings and late afternoons. Sugar and powdered milk are also in short supply, and a U.S. group met Monday night to make contingency plans for getting food.

The anxiety has affected the Americans in a variety of ways. Mr. Cero's friend Tom, who narrowly escaped being taken hostage in Iran in 1979, having fled Tehran by bus a week after the shah fell, says he thinks the worsening situation justifies quick military action.

"I think confrontation is the best immediate possibility of getting us out of here," he said. "In my mind, any confrontation is going to be strategic and decisive and successful in removing Saddam Hussein. If you remove the threat behind that fear by direct confrontation, then the bulk of the population will relax, and so will the crisis."

He shares Mr. Cero's feelings about the Iraqi people, but there is another dimension to his position.

"I don't want America to lose focus," Tom said. "The focus should be on Kuwait, not on us. Not on me. I don't want to be a hostage, but we're a secondary issue. In the Carter administration, we lost sight of what was happening in Iran and focused entirely on the hostages, and that was wrong.

"I'd like to walk across the border tonight, but, today, Saddam Hussein has crossed into Kuwait and he's taken it, and that's the reality the world must focus on."

He said the hostages "have all these anxieties because we have all this information coming in."

"If we lose our balance, it will be because we're inundated with information from all sides," he said. "The ordinary hostage is very strictly controlled in his access to information, and his keepers feed it to him gradually. I think that's easier."

As he spoke, Mr. Cero listened, picking out chords on his guitar. But when Tom stopped talking, Mr. Cero began.

"O.K.," he said, "it's been kind of spooky for a week or two here, with two people with big armies shouting at each other nose-to-nose. But if you think about stuff like that, you go absolutely crazy."

But he had thought it through, especially since the call about his father. "My overall feeling is, I don't want to go home on an exit visa only," he said. "I want a re-entry visa attached to it. I like this country very much. My feelings have not changed. I'm still enjoying it now. I just hope that nothing changes. And I'm more than willing to sit it out and let diplomacy take its course."

France Bans Hussein Rallies

Agence France-Presse

PARIS — France has prohibited demonstrations supporting President Saddam Hussein of Iraq, Foreign Minister Roland Dumas announced. There have been two such rallies in Paris.

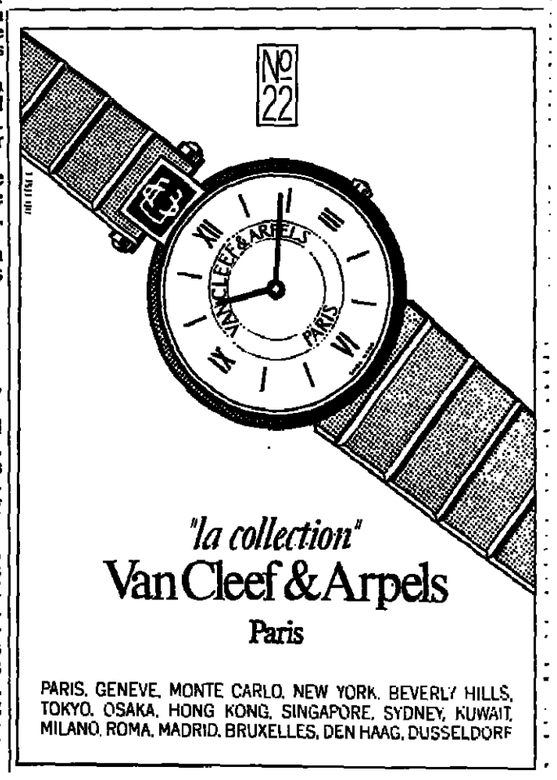
Bonn and Cairo Seek Gulf Talks

Reuters

FRANKFURT — West Germany and Egypt called Tuesday for a meeting of European and Arab foreign ministers to discuss the Gulf crisis.

A meeting is needed "to coordinate the way in which we should proceed," said Hans-Dietrich Genscher, West Germany's foreign minister. Mr. Genscher pledged West German economic assistance to all countries in the region that suffered economically because of their support for the United Nations sanctions against Iraq.

Foreign Minister Esmat Abdel Meguid of Egypt, in Frankfurt on his way home from Moscow, said Egypt wanted to avoid military confrontation in the region at all costs.



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OPINION

The Embargo Can Work

Trade embargoes have often proved feeble instruments of coercion. Those who favor quick military action against Iraq argue that the present blockade won't work, or will take many months to bite. They may prove right.

Yet this blockade is already unique in its worldwide support and breadth. Iraq is uniquely vulnerable. The Bush administration continues daily to detect and plug holes. And victory may not require bringing the Iraqi economy to its knees. Perhaps more than any comparable action this century, the embargo against Iraq can work, can break President Saddam Hussein's will — provided that those who demand instant military solutions are held at bay.

Other embargoes had fatal flaws. The League of Nations approved sanctions to punish Mussolini for invading Ethiopia, but then failed to deny oil to Italy. The United Nations embargoed oil shipments to Rhodesia, which obtained its supplies through South Africa instead. But the siege of Iraq falls in a quite different category from those half-measures.

Oil and refined products account for 97 percent of Iraq's export earnings, but Baghdad cannot now sell a drop of oil. Its pipelines through Saudi Arabia and Turkey are blocked, and its tankers will now be denied passage through the Gulf, if necessary by force. Thus Iraq's income has dwindled close to zero, and its financial assets abroad are frozen.

Even if Iraq could pay for any imports, its shipping routes are blocked and little is coming in by air, since many countries as part of the economic blockade have canceled flights to Iraq and denied it their airspace. The United States is making every effort to close all loopholes as soon as it learns of them. Land routes, including local trade with Jordan and Syria and smugglers' routes through Iran, are still open but probably provide a tiny fraction of Iraq's present needs.

Iraq does have some stockpiles of food, including three months' worth of rice and two months' wheat, and is expecting a good harvest. It is also true that the shared sacrifice of a siege often boosts morale, at least to start with. But homegrown food and hope will last only so far. The current sanctions have a substantial chance of forcing Saddam to the belief that he cannot win.

It is also essential that Saddam continue to feel that he has no way around the embargo, especially no military alternative. That is why it is critical to continue the buildup of American and other forces in the area. Its effects were demonstrated when U.S. officials disclosed on Monday that, in a policy reversal, he had instructed his merchant ships not to resist naval inspection.

The blockade still may prove unsuccessful, if Iraq can stretch out its stockpiles and develop local supplies — or if the will of the world community erodes. But there is little basis now for supposing either eventuality.

Iraq soon will find it painfully difficult to operate without imports. And for the embargo to achieve its purposes, it may not be necessary to bring Iraq's economy to a halt, let alone cause starvation in the streets of Baghdad. The pain for Iraq does not have to be total; it only has to be enough.

— THE NEW YORK TIMES.

Negotiate With Baghdad?

One goal of the extraordinary coalition that Iraq's invasion forged, the defense of Saudi Arabia, has already been accomplished without diplomacy, by military action alone. But, barring some incident or escalation, in which case all bets are off, the coalition's second goal of liberating Kuwait seems unlikely to be reached by military means. It will take pressure from the coalition of Iraq's adversaries and, in consequence, Iraqi consent. This is the essential diplomatic goal now.

To achieve it, some say that Iraq should be paid off — by debt forgiveness and new grants, for instance, or by keeping the old Kuwaiti government from resuming power. To enter a negotiation offering to pay off the aggressor, however, is unthinkable. The position affirmed by a unanimous United Nations, that withdrawal should be immediate and unconditional, is the right one. That leaves to negotiation the timetable and modalities of withdrawal. Iraq's concerns — the embargo, the military buildup, whatever — come after that.

The prospect of negotiation is also forcing the issue of whether to add further goals to the diplomats' instructions, like removing Saddam Hussein or defanging Iraq's military power, especially its chemical and nuclear facilities. A realistic view of Iraq's menacing nature has been spread by the crisis, and is cited by those who would lengthen the list of negotiating goals. The additional objectives are immensely desirable. To add them now, however, could outpace and dilute the policy consensus developed at the United Nations and perhaps the American domestic consensus as well, giving the Iraqis extra incentive to hang tough. More study is needed of the alternatives to isolating Iraq until its leadership falls and its war-making capacity is neutralized. A political shift in Baghdad is one possibility. Construction of new Gulf regional security arrangements is another; this is going to be necessary anyway.

Meanwhile, there is the elementary problem of credibility. That Iraq promised to let 55 Americans go to Turkey, and held back three, is typical of the treachery it has displayed through the crisis. Saddam Hussein comes into this new diplomatic round with a real problem, beyond the problems imposed by the allied buildup, embargo and resistance. Nobody trusts him and nobody believes him. If there is going to be any kind of negotiation at all, he is the one with the proving to do.

— THE WASHINGTON POST.

The Oil Roller Coaster

Oil dealers and speculators have apparently decided that there will not be a war in the Gulf this week. Oil prices, having shot upward by $10 a barrel since the invasion of Kuwait, swooped back downward on Monday by $4. That latest change is nice for the industrial world, since winter is coming, but will the present price hold? Hardly. It is going to continue to fluctuate with every new development — the OPEC talks this week in Vienna, every military move in the Middle East, every change in production policy by any major exporter.

But these swings are highly disruptive to the world's economy. Financial markets bounce wildly up and down. It's bad for the kind of steady, reliable economic growth that every government tries to maintain. Brace yourself, therefore, for a flood of bright ideas to stabilize oil prices. Unfortunately, most have already been tried and found to do more harm than good. Price controls? Richard Nixon tried them in 1971, and the experiment turned into an unqualified disaster. The oil shortages of the 1970s and the gasoline lines were the result not of OPEC price increases but of American price controls.

Oil markets work very much like grain markets, and there are some lessons to be learned from them. Government-owned grain surpluses do a lot to steady the prices of food, and the presence of the 590 million barrels of oil in the U.S. government's strategic reserves have helped damp the speculative swings in oil this summer. But the United States is unlikely ever to hold oil reserves large enough to operate as reserves do in the grain markets, opening automatically when the price hits a certain level.

The intractable reality is that one-fourth of the world's oil production, and two-thirds of its known reserves, are in the countries that border the Gulf. Stabilizing world oil prices is impossible without stabilizing the politics of the Gulf region, a prospect which is as improbable as it is desirable. Perhaps it will happen sometime in the second half of the next century. In the meantime, the United States and all the industrial countries can best give a measure of protection to their economies by steadily cutting down the amounts of oil they use. How? The most effective device — you have heard it before, and it's still true — is a tax on gasoline. But Americans have evidently not yet suffered enough disruption and economic distress to make the gas tax, in political terms, a real possibility.

— THE WASHINGTON POST.

Other Comment

Link Up for Hydrogen Fusion

East Asia as a whole may be getting 90 percent of its oil from [Gulf producers] in 10 years. In the end, everyone is going to need energy less monopolized by a geopolitical earthquake zone as well as more abundant, cheaper and cleaner. The last qualification cannot be ignored. Even if you don't believe in global atmospheric warming, humanity's wholesale burning of fossil fuels is certainly fouling our planetary nest.

Experiments like Brazil's use of sugarcane alcohol deserve wider attention in searches for vehicle fuels. Though subsidized, Brazil's alternative has cut import costs and created thousands of new jobs. Solar and wind power and synthetic fuels — all those appealing newcomers of a decade ago which were largely dropped once oil became cheap again — also deserve more than 15 minutes of fame. But they will probably never completely replace fossil fuels, especially for electricity.

The cooperation Moscow has shown in efforts to quell the Gulf crisis ought to be tapped for something far more beneficial than a manned flight to Mars. With the United States, Europe, Japan and perhaps Asia's other vanguard economies, the Soviets should join in a crash program to harness hydrogen fusion, which can theoretically provide almost endless amounts of nonradioactive, cheap power for a million years. As things stand, fusion may not be licked for another half-century, if at all. But even if it proves an impossible dream, such international teamwork promises to focus the world's energies on a problem it cannot afford to forget.

— Asiaweek (Hong Kong).

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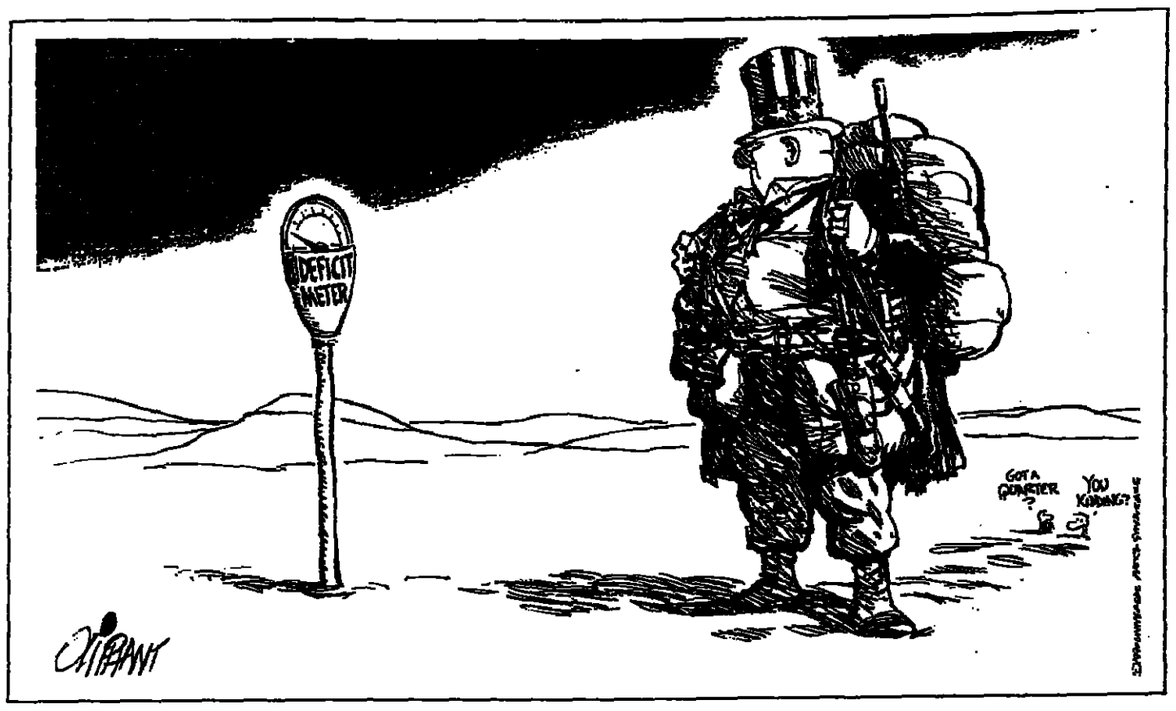


Moscow Can Help in the Gulf — and Be Helped

By Flora Lewis

VENICE — The Security Council vote endorsing military enforcement of the United Nations blockade on Iraq was an impressive feat of diplomacy. It not only strengthened the international coalition against President Saddam Hussein, it blocked the temptation of American hawks to plunge into war.

The way the Gulf crisis is resolved is going to have deep impact on the conduct of world affairs for a long time. Instead of confirming the United States as leading partner of all who seek a peaceful world order, going it alone could have reversed the remarkable consensus that creates a new weapon for peace.

Participants at a meeting here of Aspen Institute Italia on "Economic Policies for a New Era: West-West and East-West" reflected widespread relief that the era probably will not start with a bang after all. The meeting was planned long ago, but everybody came preoccupied with Iraq, oil and the questions they provoked.

A major gain so far has been the advance in American-Soviet diplomatic cooperation. Paul Nitze, former U.S. arms negotiator, has called for using the momentum to speed up more far-reaching arms reduction agreements. Mr. Nitze was once a prominent member of the "Committee on the Present Danger," critical of most deals with the Soviets. Now he says that President George Bush "should try radically to improve the bases for U.S.-Soviet collaboration."

That is a turnaround. Mr. Nitze's careful proposals should weigh against the peculiar idea that the Gulf threat makes further arms control and drastic restructuring of American forces undesirable. This crisis is in part a result of the global arms race, and should argue instead for a much sterner, broader attempt to block it everywhere.

The Soviets seem willing. Moscow is eager to reinforce the United Nations as the center for action. "Everything that can be done through international or multilateral means should be done that way, and everything we do we should do together," said a Soviet diplomat, meaning that the United States and the Soviets should always consult and can probably agree on measures to take.

There are some crucial contributions that Moscow can make right now to advance resolution of the crisis. They are delicate and might have to be discreet, but they are a new test.

They concern intelligence. There are still several hundred Soviet military technicians in Iraq. They probably know where the hostages are. More important, Moscow knows all about Iraqi forces, air defenses, missiles, equipment, most of it Soviet-made. That information will not disarm Saddam Hussein, but it must gravely undermine his confidence if he has to suppose that America has it.

Most important, no intelligence service anywhere has the KGB's intimate knowledge of Iraqi politics, especially the rivalries and fault lines within the military and police establishments, some of them also organized by former East European security services.

The one way to avoid war is for the Iraqis themselves to bring down their dictator. It is an illusion to think that outside pressure can induce Saddam to pull out of Kuwait and let his forces be neutralized. That would be failure, and he knows that his people would not let him survive a show of impotence. He would more likely sacrifice them.

So the key is to convince others that their chance of survival is to get rid of him, lest they go down with him. He came to power through a coup. It is not an alien idea in Iraq. There is always hidden opposition, secret cliques in a tyranny. They need to be given a sense that they have more to gain than to be lose in risking an overthrow. The West, including Israel's vaunted Mossad, knows very little about the hidden intricacies of Saddam's regime. Moscow can get word to the right people.

It is wrong to suppose that the Soviets have an interest in prolonged crisis because of the windfall in high oil prices. It helps them, but not nearly enough to solve their foreign currency shortage, and their production has been declining sharply in the past two years. Prices will remain high anyway, and Western recession would hurt them, too. What they need is improved production.

Before the Gulf crisis, Prime Minister Ruud Lubbers of the Netherlands proposed technical aid to improve the Soviet oil industry as a way to help East European democracies that will have to pay hard currency for imports next year. West Europeans like the idea. The United States should support it. That would be yet another innovative example of cooperation for mutual and general benefit. It is a new era. The Soviets need help and they can contribute.

The New York Times.

What Is King Hussein Doing in the Saddam Camp?

By Gideon Rafael

JERUSALEM — For a quarter of a century in his 37-year reign, King Hussein has been on speaking terms with all the governments of Israel. The contacts have served both countries as a weather vane indicating the direction and the strength of the wind, mostly ill winds, tossing the Middle East. Both sides had an intimate understanding of each other's aspirations, anxieties and capabilities.

In times of high tension, the contacts acted as lightning rods. In the rare intervals of calm, they permitted discussion of the outline of an eventual peace settlement between Jordan, Israel and the Palestinians.

If the exchanges of view on a peace settlement remained inconclusive, it was in part because of the king's inclination to avoid clear-cut decisions. He feels safer balancing on a diplomatic seesaw than proceeding straight forward toward his principal objective, the preservation of his dynasty in an independent Hashemite Kingdom.

In picking his allies he has never been particularly choosy if the continuation of his rule was at stake. In 1970, in the hour of his gravest peril, he invoked Israel's military aid when Yasser Arafat and his cohorts, assisted by the Syrian army, rose to overthrow him. Six years later he urged Israel, this time on behalf of President Hafez Assad, not to intervene against the Syrian forces entering Lebanon with the professed aim of combating Mr. Arafat's rampaging gangs.

After another six years the king found himself again at loggerheads with Mr. Assad and in fraternal embrace with Mr. Arafat. Later, in 1986, exasperated by Mr. Arafat's duplicity, the king declared: "The lack of credibility on the part of the PLO warrants Jordan's decision to terminate political cooperation with the PLO."

Now, at the height of the gravest crisis the Middle East has experienced, King Hussein has aligned himself with Mr. Arafat and Moammar Gadhafi against Saudi Arabia, Syria and Egypt. It is hard to believe that he really feels able to weather the gathering storm in the company of this odd couple. Has he become so enthralled with playing both ends against the middle that he has lost sight of reality? The present confrontation is completely different from the traditional Middle Eastern conflicts and rivalries from which he has managed to extricate himself with considerable skill.

He has not been immune from miscalculation. His error in 1967, when he jumped on Nasser's ill-fated bandwagon and attacked Israel despite the Israeli prime minister's appeal to keep out of the war, cost him the West Bank, which his grandfather had conquered in 1948. He was never able to recover it, by war or by diplomacy, refusing to emerge from covert contacts to overt negotiations with Israel.

Saddam Hussein's brutal aggression against an Arab state has mobilized the strongest coalition in this century, wider than the alliance that confronted Hitler. Germany and Japan are siding with the Western world, and the Soviet Union, which supported Hitler until he attacked it in 1941, sustains now the world community in its action against the outlaw of Baghdad.

The most bizarre feature of his present conduct is the abandoning of his traditional regional relations. By his wooing of Saddam Hussein he has jeopardized the financial support of the Gulf states, his principal paymasters; antagonized Egypt, the main force for stability in the region; encumbered his uneasy relations with Syria, and aroused Israel, a traditional supporter of the Hashemite dynasty and a reliable pillar of strength in times of King Hussein's need.

His association with Saddam Hussein, who has threatened to wipe out Israel with poison gas, endangers not only Israel but no less the security of Jordan. The government of Israel has made clear that it will oppose the deployment of Iraqi forces and military installations in Jordan. With or without Saddam Hussein at its head, Iraq has participated in all the wars against Israel. It has never signed an armistice agreement or any other commitment to desist from active hostility.

The government of Israel, while not concealing its alarm, has publicly and privately reassured King Hussein as to its continued interest in the stability of his regime and the security of his country. Experienced observers, who give the king high marks for political astuteness and tactical agility, wonder why he has embarked on this dangerous course. Has he lost his grip in the face of popular discontent fanned by professional agitators? Does he think he can ride the Iraqi tiger and alight when he chooses, unscathed? This would be a fatal error.

It is not too late for King Hussein, who is known for his personal courage, to return to his natural political environment and rejoin his friends, who, in association with the most powerful and enlightened nations of the world, offer the best guarantee for the continuation of his reign in a prosperous, secure and independent Hashemite Kingdom of Jordan.

The writer is a former director of the Israel Foreign Ministry and ambassador to the United Nations, and the author of "Destination Peace — Three Decades of Israeli Foreign Policy." He contributed this comment to the International Herald Tribune.

Don't Take Chairman Arafat Seriously

By Menachem Z. Rosensaft

SAN REMO, Italy — Yasser Arafat the peacemaker is a fraud. By supporting Saddam Hussein and repudiating moderate Arab backers of the Palestinian cause such as Egyptian President Hosni Mubarak, the chairman of the Palestine Liberation Organization reveals his true colors.

His goal is Palestinian conquest of Israel, by whatever means, just as Saddam Hussein's goal is domination of the entire Middle East.

It follows that Mr. Arafat's current diplomatic initiatives concerning the Gulf crisis should be dismissed as disingenuous verbiage.

The same goes for a letter I recently received from Chairman Arafat.

In December 1988, I was one of five American Jews who met Yasser Arafat and other PLO leaders in Stockholm. After those discussions, Mr. Arafat for the first time publicly recognized Israel and renounced terrorism. I believed then, and I continue to believe, that any viable Middle East peace initiative must seek to satisfy both Israel's security concerns and the Palestinians' legitimate national aspirations. The PLO's declared new policy was therefore a welcome development.

But Mr. Arafat has never truly committed himself to carrying out his Stockholm pledges. His subsequent pronouncements on the peace process have been ambiguous at best. He has taken no steps to halt the summary execution of West Bank and Gaza Palestinians accused of "collaborating" with Israel. He has refused to condemn the May 30 terrorist attack on the beach of Tel Aviv by a PLO faction whose head sits on the PLO executive.

In a letter to me, Mr. Arafat writes that the PLO has made "a historical compromise which is the cornerstone of any just solution" to the Israeli-Palestinian conflict. He accuses Israel of rejecting all peace initiatives. Israel "has to make a similar historical compromise."

The tone of the letter is positive. But Mr. Arafat still does not seem to understand that recognition of Israel and renunciation of terrorism — which constitute his "compromise" — are not tactical concessions but the minimum, unconditional prerequisites for acceptability into the international community. Israel's right to exist and the sanctity of civilian lives are not negotiable. Any suggestion to the contrary lends weight to Israeli Prime Minister Yitzhak Shamir's absolute rejection of the PLO as a potential negotiating partner.

I agree that Israel must recognize Palestinians' fundamental human rights, including the right to political self-determination. But not at any cost. Israel's survival and the safety of its citizens take priority. If the PLO wants to play a credible role in the diplomatic arena, it must affirmatively cease flirtation with terror.

In his letter, Mr. Arafat omitted any reference to continued PLO terrorist activities. He could have used the occasion to repudiate the May 30 raid. His deliberate silence on the subject leads to the conclusion that his renunciation of terrorism may be revocable. If so, it is meaningless.

As for the recognition of Israel, it is put into question by Mr. Arafat's letterhead. He writes as president of the "State of Palestine," as well as PLO chairman. Prominent at the top of each page is an emblem featuring a map of the entire territory between the Mediterranean and the Jordan River, including all of Israel.

Continued use of the controversial emblem appears designed to reassure Mr. Arafat's more radical constituents that a future state will embrace not only the West Bank and Gaza, which Israel has occupied since 1967, but Tel Aviv and Haifa as well. The PLO's vision of a Palestinian state thus negates Israel's continued existence.

After the Stockholm meeting, I was sharply attacked by Israeli leaders and by many of my American Jewish colleagues for supposedly enhancing Mr. Arafat's credibility. I responded at the time that if the PLO's metamorphosis was authentic, it presented a unique opportunity to move the peace process forward. I believed that Yasser Arafat should be put to the test. His June 25 letter and his alliance with Saddam Hussein demonstrate that he has failed it.

THE PLO, the sole legitimate representative of the Palestinian people, has made a historical compromise which is the cornerstone of any just solution to this complicated issue.

The peace process in the area would not have witnessed this impetus and thrust had it not been for this solution proposed by the Palestinian people and their leadership. You know that the leaders of Israel refused until now all initiatives, including Baker's five points, for finding a peaceful settlement. Thus, peace cannot be made by one party. Israel has to make a similar historical compromise to achieve peace with the Palestinian people based on the recognition of our people's national rights including this right to freedom, independence and sovereignty.

I am confident that the chain of violence would definitely end if each of us makes the necessary steps to realize just and permanent peace.

— From the official English text of a letter from Yasser Arafat to Menachem Z. Rosensaft, dated June 25, 1990.

The writer is president of the Labor Zionist Alliance in the United States. He contributed this comment to the International Herald Tribune.

'Realists' Are Missing The Point

By Joshua Muravchik

WASHINGTON — So far, the chief American critics of George Bush's bold military action in the Middle East are not liberals but conservatives like Patrick Buchanan, Robert Novak, Edward Luttwak and Senator Sam Nunn — yesterday's most redoubtable hawks and interventionists. Strange new world!

The sudden disappearance of the Cold War has pulled the rationale out from under the internationalist foreign policy that America has pursued for 40 years. With a victory over communism behind it, why care what happens to the Emirate of Kuwait?

One answer is oil, but the larger answer that has resonated in President Bush's statements is collective security. No longer divided automatically along East-West lines, the community of nations is joining to repulse an unmistakable act of aggression — just as President Woodrow Wilson hoped it would when he dreamed up the League of Nations.

When we recognize in Mr. Bush's policy the heritage of that liberal Democratic president, whose name is synonymous with woolly-headed idealism, we begin to understand why the Buchanans, Nunns and Novaks are alarmed. They see themselves not as isolationists but as realists. They do not want to spend American treasure and lives unless clear American interests are at stake.

With the collapse of Soviet power, however, the difference between such "realism" and isolationism is evaporating. When America is the world's only superpower, nothing threatens it directly. All plausible threats are indirect, and most are a lot more remote than the prospect of a belligerent, anti-Western tyrant gaining hegemony over the world petroleum trade. That even such stakes as these leave the conservative realists skeptical of American action shows how close to isolationist their sensibility is.

Collective security is getting a new trial.

The last time America found itself in such an impregnable situation was in the immediate aftermath of World War I. The kaiser had been defeated. New democracies were being erected on the ruins of old empires. Mussolini and Hitler were marginal eccentrics. Bolshevism scared some people, but most regarded it as an aberration.

No wonder America's isolationists succeeded in defeating President Wilson's visionary schemes. Thanks in part to their prudence, within 20 years Americans were fighting for their lives.

In the collective memory, Wilsonian idealism shares blame equally with isolationism for that disaster. The system of collective security that he sired came crashing down as soon as it was tested by the Japanese in Manchuria and then by Mussolini in Abyssinia.

But was Woodrow Wilson's vision faulty? Or did the fault lie with the isolationists who, by keeping America out of the League of Nations, made collective security a hollow shell while the aggressors gathered strength?

The UN-sponsored mission to restore Kuwait's independence gives the idea of collective security a new trial. Thanks to forceful U.S. leadership, the effort is likely to succeed. Without it the United Nations would be as feckless as the League was in the 1930s.

Success will set a valuable precedent. But a single case will not prove that collective security can become the basis of world order, and the UN charter more than a dead letter. The time when the United States can relinquish the prerogative of acting unilaterally to defend its interests or principles is not yet on the horizon.

But where Mr. Bush is right, as was Wilson, is on the principle of investing U.S. power in the effort to fashion an environment congenial to its long-term safety by enforcing a modicum of lawfulness in relations among states.

An implicit assumption is that we cannot know what threats may lurk in the post-Communist world any more than we could foresee in 1920 the strength of Nazism or communism. A corollary is that American abdication would encourage such threats to grow.

The realist-isolationists would rather bask in America's status as the sole surviving superpower and avoid the risk and expense of policing the world. There will be time enough to act, they will say, when some local quarrel or bully grows large enough to present a clear danger. And so there was after the attack on Pearl Harbor, too.

The writer, resident scholar at the American Enterprise Institute, contributed this to The New York Times.

100, 75 AND 50 YEARS AGO

1890: Congo Corridor

LONDON — The *Bombay Gazette* gives definite shape to the rumor that an attempt would shortly be made to secure a British opening through the Congo State northwards. The *Gazette* says that there is a question of cession by the Congo Free State of a portion of the territory of that State to the British Government or, to be strictly accurate, to the Imperial British East Africa Company. The strip of territory will give the company access to Tanganyika without traveling across the German country.

1915: Russia Replies

PETROGRAD — Russia is now facing two attacks — one Germany's advance with her armies, and the other the far more serious German publicity campaign which is aimed to discourage with misinformation the Russian public. An emphatic denial of the rumors is made by M. Sazonov, the Russian Premier: "Taking these fables against the character of our people and our Government in succession, I will state categorically that never at any time has there been the slightest difference of opinion between the high commands of the Allied armies. Absolute confidence prevails in the highest circles as to the actions taken by our Allies."

1940: Draft Bill Passed

WASHINGTON — After three weeks of historic debate the Senate tonight [Aug. 28] passed and sent to the House the Burke-Wadsworth compulsory military training bill which would make 12,000,000 men between the ages of twenty-one and thirty-one subject to registration for possible military training and service with the Army. Included in the bill was a provision permitting the President to conscript industrial and other plants when such action was deemed necessary for the defense program.

— From the New York edition of the New York Herald Tribune.

OPINION

Americans Are Waking Up To a Restive New World

By David S. Broder

WASHINGTON — Every night now the world goes to sleep knowing that dawn could bring the outbreak of war. Any one of a dozen easily imaginable incidents could start hostilities between Saddam Hussein of Iraq and the forces assembled under American leadership to punish his aggression and to contest his bid for control of the Middle East's oil supply.

That knowledge inclines people to think seriously, and many of those I interviewed last week on a swing through New England were doing just

The government and the citizenry have been wallowing too long in unearned complacency. Their long snooze is over.

that. There is a lot to be learned. And the wretched 30-second television ads in the political campaigns now under way are not the way to learn it.

Two sets of questions seem certain to be on the agenda, even if a way is found to deal with Saddam Hussein and avoid military casualties and hostage deaths. It is obvious that the United States has undertaken a vastly enlarged commitment to the security of the Gulf states. How will that commitment be fulfilled and what will come in return — by way of guaranteed access to the region's oil at stable and predictable prices?

Now that the whole world has taken responsibility for peacekeeping in the Middle East, sovereignty in the region must be redefined. Neither OPEC price-setting nor Israeli treatment of Palestinians can be regarded any longer as "internal" decisions. But how the United States and its partners play their role remains to be determined.

Here in America, the long snooze over energy policy has been ended. In an increasingly interlocked world, it makes no sense for the United States to price oil and gas far below the level of other industrial nations. Raising that price by energy taxes, as a spur to conservation and development, must become a central part of a budget debate made much more urgent by the economy's evident tilt toward recession. But the type of energy taxes and their phasing-in need to be carefully considered.

The Gulf crisis has provided a wake-up call for a government and a citizenry that have been wallowing in unearned complacency. It also has shattered a dangerous myth and opened Americans' eyes to a neglected asset.

The myth is that the need for a strong military ended with the Cold War. If the Gulf crisis has proved anything, it is that Americans bought a lot more in the military buildup of the 1980s than the overpriced toilet seats that Pentagon critics held up to constant ridicule. That buildup provided an airlift and sea-lift capacity that made the recent deployment of forces a logistic miracle, a navy that was able to impose a blockade on Iraq, and the active and reserve forces ready to undertake a mission that no one had anticipated. Fear of America's air and ground weaponry caused Saddam Hussein to halt his advance — and it will be the telling difference if war comes.

That needs to be borne in mind by those who would solve every budget problem by "whacking the Pentagon." This is surely not the last time when American military capacity will be tested in an area of vital national interest.

Equally important has been the discovery of the role the United Nations can play in mobilizing world support — and legitimating what might otherwise be seen as a national struggle between an established power and an upstart challenger.

During the long Cold War years, the Soviet veto and the hostility of many Third World states made the United Nations an object of scorn to many American politicians and citizens. But in today's altered environment it has proved to be an effective instrument of world leadership and potentially an agency that can effect both peace and the rule of law in troubled regions.

Americans have also learned something about President George Bush in this crisis. His great strength is his remarkable combination of courage, collegiality and self-effacement. He showed the capacity to enlist support from other key players throughout the world by consulting widely, by demonstrating his readiness to act and take risks, and by doing it with such modesty that all of them felt like partners, not pawns.

Those are the skills that could open the path to success in domestic policy as well, particularly in an era of divided government. Those in his circle who press the president to be more partisan or domineering do a disservice to him and to the United States.

There is also a negative lesson about Mr. Bush. He has a strong tendency to adhere rigidly to previous plans — even when circumstances change radically. He would probably call it keeping his commitments. But the determination to take his previously scheduled vacation in Kennebunkport, Maine, despite the international crisis, is the same tunnel-vision obstinacy that led him to insist in 1980 in Nashua, New Hampshire, that he would debate only Ronald Reagan, as he had promised to do, and not the other four Republican candidates who showed up that fateful night in the 1980 primaries.

The result then was politically disastrous. This time his stubbornness is only mildly embarrassing. But unless it is overcome, it could cause both Mr. Bush and the country problems again.

The Washington Post.

LETTERS TO THE EDITOR

Gulf: The Israeli Factor

It would be a crime if even one American soldier were to be killed in the Gulf because of the past gunrunning of the Soviet Union, the United States, France and Israel; the greed of Arab oil barons; and the intransigence of Israel regarding negotiations with the Palestinians.

One bold solution would allow everyone to save face: Israel should immediately declare its intention to negotiate with the Palestinians and the Arab world. Saddam Hussein could then say that he had attained an important goal, and Israel would be relieved of the *intifada* and eventually be blessed with peace.

JOHN F. WILLIAMS.
Providence, Rhode Island.

Does not the "civilized" world owe a debt of gratitude to Israel? Was not the 1981 preemptive strike against Iraq the best dividend Americans could have received for their financial support of Israel? Is there any doubt what Saddam Hussein would do with an atomic capability if he had it? Is this not the time to say thank you to Israel for being gutsy and farsighted, probably saving uncounted lives?

HENRY GOLDSMITH.
St.-Sulpice, Switzerland.

I would nominate Menachem Begin for his second Nobel Peace Prize for having ordered the destruction of the Iraqi atomic-bomb factory, thereby saving mankind from an atomic holocaust at the hands of Saddam Hussein.

FRED LEHMANN.
London.

Regarding the report "Israelis Advise a Massive U.S. Air Strike" (Aug. 18-19):

Israel appears to be trying to fish in troubled waters by prodding the United States to attack Iraq. In fact, Saddam Hussein apparently was emboldened to annex Kuwait partly by Israel's continuing occupation of the West Bank, against the wishes of most of the world.

This is by no means to condone Saddam Hussein's aggression. But if we are talking about a just world order, I see no inconsistency in his call for a withdrawal of ALL occupying forces in the region.

M. VASUDEVAN.
Cannes.

Approaches to Colonialism

In response to the editorial "Handwriting on the Wall" (Aug. 14):

To describe the United States as a "shining achievement of the European Enlightenment's crusade against feudal monarchy" is a misuse of two nebulous historical concepts that have nothing to do with each other. To elevate a colonial revolt over taxation into part of some inexorable democratic world impulse reflects the blinkered attitude toward European "colonialism" that has often influenced U.S. foreign policy.

Anti-colonialism and democracy have nothing to do with each other, as recent African history shows. Had the United States supported Britain and France in Suez in 1956 (an action not in defense of colonialism but to deter Arab aggression) it might not be faced with the Saddam Hussein problem today.

J. R. CHILVER.
London.

Nomadic Revival in Tibet

We are writing to correct the misleading representation of our research contained in the article, "Tibet's Nomads: Poor, Dirty and Proud" *(Aug. 14)*.

The nomads of Tibet suffered greatly during the Cultural Revolution, when communes were created and an attempt was made to exterminate traditional culture. But the situation changed dramatically after the 1978-80 reforms in China. The nomads we studied in Tibet, from 1986 to 1988, had undergone a rather thorough revitalization of their traditional culture. Our follow-up research project this summer found that those policies have remained in effect in this area despite the political conflict Tibet has experienced since our last visit.

The conclusion of our National Geographic article (June 1989) about the nomads holds true — their culture is alive and well and all of us are richer for it.

MELVYN C. GOLDSTEIN.
CYNTHIA M. BEALL.
Cleveland.

Mr. Goldstein is chairman and director of the Center for Research on Tibet, Case Western Reserve University, and Ms. Beall is a professor in the university's Department of Anthropology.

For Want of a "T" . . .

Regarding the 1890 item in "100, 75 and 50 Years Ago" (Opinion, Aug. 6):

The reference, of course, should have been to Styria — the province of Austria-Hungary — and not Syria!

EDGAR M. RUBIN.
Paris.

A Different Memory of Bettelheim

By Charles Pekow

WASHINGTON — Bruno Bettelheim's suicide this spring shocked his admirers, who came forth with generous eulogies. They recalled him as the hardy survivor of the Buchenwald and Dachau concentration camps, they spoke warmly of his books, and they applauded his guiding philosophy, influenced by Freud, which stressed emotional nurturing.

They also recalled how he took over the Sonia Shankman Orthogenic School at the University of Chicago in 1944. (The Orthogenic School is a residential center for emotionally disturbed children, including those diagnosed as autistic, withdrawn, anorexic, severely neurotic or suicidal.) And they described him as a man known for the "originality, warmth and wisdom he brought to the study of the minds and emotions of children" (The Washington Post); and a "pioneer in treating childhood mental disturbances" (The New York Times).

My memories are of a different kind. The Bettelheim I knew was a man who, while publicly condemning violence, physically abused children. And the Orthogenic School I knew was an Orwellian world where mail was censored and conversations monitored.

Mr. Bettelheim was co-author of a book on racism ("Social Change and Prejudice"), but he never admitted blacks to the school he directed for nearly 30 years; he told me once that they would feel isolated. He claimed to have

MEANWHILE

successfully rehabilitated 85 percent of hopelessly disturbed children, but no one ever checked his claims.

My knowledge comes from first-hand experience — a fact many of my friends will not know until now. I spent a decade at his school against my will, from age 11. I know the risks of talking about this. Those who complained about Mr. Bettelheim to the law or their parents were not taken seriously. And former patients are scared to reveal their past. I contacted many for this report, and almost all supported my endeavor. But most did not want their names used.

I also acknowledge that many credit him for helping them.

While I can speak only for myself, I do not think my experience was unusual.

□

I was sent to the school in 1965. Coordination problems made my handwriting nearly illegible, and I could not function in the public school system. Mr. Bettelheim's diagnosis was that I was "crazy," a favorite word around his school. He said that only he could cure me. My parents, friends of Mr. Bettelheim, never sought another opinion.

William Blau, a counselor at the school in 1949 and 1950, said that "there were a lot of kids with learning deficits that had nothing to do with emotional disturbance." He has referred to Mr. Bettelheim as a "cult leader."

"Those who were going through normal adolescent growing pains were labeled as psychotic," said Alida Jatich, a former patient in the school.

Mr. Bettelheim's books described a world in which a child's every need was met in nonthreatening ways, where a kind staff answered troublesome behavior only with gentleness and understanding, where Freudian therapists helped children understand their feelings.

Tom Lyons, who spent 11 years at the school and wrote about it in a 1983 autobiographical novel, "The Pelican & After," believes that the school helped him in some ways, but he also remembers a world of terror and restrictions. "Love Is Not Enough" described therapeutic value in letting boys overflow bathtubs. But when Tom Lyons did it, he recalled recently, Mr. Bettelheim hit him.

In four books about the school, Mr. Bettelheim never mentioned hitting. But he created a climate of fear. Once, after a boy returned from a visit home, Mr. Bettelheim spent five minutes slapping him, hitting him and pulling his hair. The lad, Mr. Bettelheim said, had told his brother to "do well in school." He had no right to "push" his brother around.

To be sure, the blows he struck, though often painful and humiliating, did not physically injure people. But I often saw Mr. Bettelheim drag children across the floor by their hair and kick them. He even hit autistic children who could not speak clearly.

I refused to participate in group therapy, so Mr. Bettelheim slapped me. He once hit a teen for telling someone that he lived at a "boarding school" instead of a mental institution.

The young counselors he attracted to work for him, looking for a guiding light, deified Mr. Bettelheim.

"I believed blindly in him, and I don't like to think of myself as the type of person who would believe blindly in anything," said Jacquelyn Sanders, Mr. Bettelheim's chosen successor, who eventually rejected much of his approach.

What Reid Schwartz, a former counselor at the school, called Mr. Bettelheim's "legendary temper" instilled fear in the staff as well as students.

Mr. Bettelheim treated parents badly, too. Norma Glassner, whose son spent six years with Mr. Bettelheim, said: "Bettelheim called me at my office and just lambasted me that it was my fault . . . that I really don't want him, I don't care about my son. I broke down crying."

I have no doubt that children in Mr. Bettelheim's care who suffered from neurological disorders did not get treated because he thought the mind controlled everything. I often lay awake all night, gasping for breath, because I was refused medication for my allergies.

Mr. Bettelheim acknowledged in interviews that he took inspiration for his school from his time in the Nazi camps, where he watched guards systematically destroy people's self respect. He claims he reversed the process by respecting disturbed minds and catering to their every need. In fact, he did the opposite.

He often told me that I never had any friends. He called us all "crippled in the mind." Roberta Redford, who spent her late adolescence at the school and is now an Ohio office manager, said he called her a "slut" for putting pictures of the Beatles on the wall. Once he told someone about to leave the school that "unless you change, don't have any children, because you will just mess them up, just like you were messed up."

We had no privacy. Mr. Bettelheim often walked into bathrooms where teen girls were undressed, Roberta Redford said. Alida Jatich said that Mr. Bettelheim once pulled her out of a shower and beat her, wet and naked, in front of a room full of people.

Mr. Bettelheim died in March, at age 86, in isolated misery. He had seen himself as a tower of sanity with a unique cure for unhappiness, but he had often been depressed since his retirement, especially after his wife's death in 1984. He forced many people to live in institutional settings, yet he could not bear to live in a retirement home. Like so many bullies, he could dish it out, but he couldn't take it.

Mr. Pekow is editor of the newsletter Day Care USA. This comment was excerpted from a longer article in The Washington Post.

GENERAL NEWS

Spoils of Census: Seats in Congress

California and Florida Big Winners

By Thomas B. Edsall
Washington Post Service

WASHINGTON — California and Florida, two key states in the Republican Party's goal of achieving majority status, appear likely to gain a total of 11 congressional districts before the 1992 elections, according to preliminary figures from the 1990 census.

For California, the projected gain of 7 seats in the House would be the equivalent of adding the entire House delegation from Alabama. It would give California a 52-member House delegation and would mean that about 1 of every 8 House members would be a Californian.

For Florida, the addition of 4 seats, making a total of 23, would be the equivalent of adding the Arkansas congressional delegation.

With preliminary Census Bureau estimates for all but four states now available, the lines of the political map of the United States in the 1990s are becoming clear.

Those lines, based on the final census figures, will be redrawn by state legislatures in time for the 1992 elections, when eight states are expected to gain House seats and presidential electoral votes and 13 states are expected to lose them.

The estimates of congressional district changes were made by a computer analysis performed by the National Committee for an Effective Congress, a Democratic group. The findings were generally supported by Thomas B. Hoefeller, director of redistricting for the National Republican Congressional Committee.

Although still tentative and subject to change, these are among the major probable developments in addition to the projected growth in California and Florida:

● Two other Sun Belt states, Georgia and Arizona, are almost assured of gaining only one House seat each. Some previous estimates had given each two new seats.

● In two unexpected developments, Louisiana is now likely to lose one seat, and Washington state is likely to gain one. And Connecticut, Wisconsin and Minnesota, each of which was viewed as facing the possible loss of a House seat, now appear likely to retain the same-sized House delegations for another decade.

● Mississippi would barely keep its five-member delegation in the 1990s, and the population of Kentucky appears likely to fall just short of the number necessary to retain the state's seven-member delegation, requiring the elimination of one seat.

● The overall pattern of population shifts appears to clearly favor the Republicans. In 1988, President George Bush won every state that is expected to gain House seats except Washington.

According to the preliminary projections, 19 congressional districts would will be shifted among the states as a result of the 1990 census.

The winners are expected to include Texas, projected to gain three seats, and Virginia and North Carolina, which would pick up one each.

The losers would include New York, projected to lose three seats; Pennsylvania, Michigan, Ohio and Illinois, projected to lose two each, and Massachusetts, Iowa, West Virginia, Kansas, Montana and New Jersey, projected to lose one each.

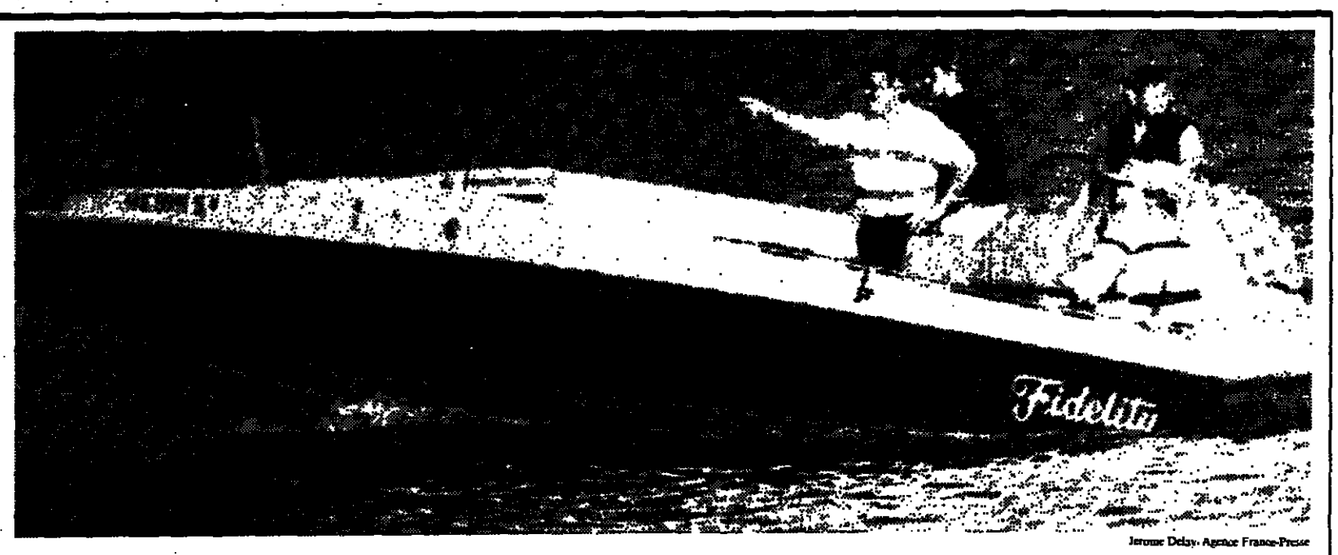
The expected gains by Florida and California increase the importance of the gubernatorial contests this year in both states. Democrats control the legislatures of both California and Florida, and the Republicans must consequently keep control of the governorships there to have any influence over the redistricting process in those states.

The preliminary population estimates made public on Monday for six states compared with population sizes in 1980 were Alabama, 3,984,384, up from 3,894,000; California, 29,279,015, up from 23,668,000; Florida, 12,774,603, up from 9,746,000; Georgia, 6,386,948, up from 5,463,000; Indiana, 5,498,725, up from 5,490,000, and Massachusetts, 5,928,331, up from 5,737,000.

Taipei Fires Kuwait Envoy

Agence France-Presse

TAIPEI — Taiwan's unofficial ambassador to Kuwait, Kenneth Keh, 61, was relieved of the post by the Foreign Ministry on Tuesday for leaving the Iraqi-occupied emirate ahead of other stranded Taiwan nationals.



Jerome Delay, Agence France-Presse

Presidency Adrift as Speedboat Breaks Down

Prime Minister Brian Mulroney of Canada, left, pointing aboard President George Bush's speedboat shortly before it broke down near Mr. Bush's vacation home in Kennebunkport, Maine. The president, Mr. Mulroney, their wives, and several other people transferred to a nearby Coast Guard cutter and were brought back to Mr. Bush's home at Walker's Point. "There was never any danger to the president or the prime minister," the White House spokesman, Marlin Fitzwater, said.

Verbal Skills Of College Entrants Fall

New York Times Service

NEW YORK — The verbal skills of college-bound U.S. high school seniors declined this year to match their lowest level ever, and mathematics skills showed no improvement, according to the College Board, which administers the Scholastic Aptitude Test.

The average score in verbal skills, 424 out of a possible 800, equals the 1981 score and is the worst result in in the 23 years the board has compiled data. The average math score of 476 has not changed in four years despite schools' increased attention to mathematics.

College Board officials said the decline in verbal scores was particularly alarming. It is the fourth straight year that they have dropped.

Robert G. Cameron, executive director of research and development for the College Board, a nonprofit educational services company, said the decline largely reflected a de-emphasis on reading in an electronic era. "We may be seeing the erosion of reading skills in this information age where people are getting their information by means other than reading," he said.

Scores in verbal skills improved through the mid-1980s, peaking to an average of 431 in 1986, partly because of Head Start and other federally financed programs that encouraged reading at an early age, state education officials nationwide said.

But as federal assistance was trimmed, they noted, so were these programs, and the gains began to erode.

Despite increased spending on education by several states, College Board officials said, many more states are financially pinched and are unable to increase spending on reading and math programs.

Nevertheless, some ethnic minorities posted gains in test scores this year, with American Indians registering a 9-point improvement in math skills, to 437. Average verbal scores among Indians also increased, to 388 from 384.

Overall, the board said, minority students have shown steady improvements in test scores since 1976, when the board began breaking out ethnic-group test scores.

Mohawks Vow to Stand and Fight Canadian Army

Compiled by Our Staff From Dispatches

TORONTO — Mohawk militants have vowed to stand and fight after Quebec's premier ordered the army to tear down road and bridge barricades that the Indians have built their during seven-week armed standoff with authorities over a land dispute.

Premier Robert Bourassa announced that he had asked the Canadian Army to take down the barriers. He said he was breaking off talks with the Mohawks, accusing them of not negotiating in good faith.

In a statement Monday night, the Mohawk Nation said members of the two Mohawk communities involved were prepared to stand and fight.

"Now that war is being forced upon us, we will turn our hearts and minds to war and it too we will wage with all our might," the statement said.

The conflict erupted earlier this year in Oka, 20 miles (32 kilometers) west of Montreal, when Mohawks defied the town's attempt to extend a golf course onto land they regard as sacred. A policeman was killed July 11 when police attacked the Indians.

Other Indians staged sympathetic blockades, and Mohawks closed the big Mercier Bridge into Montreal, angering commuters.

Talks between the Quebec and Canadian governments and the Mohawks collapsed Saturday as each side refused to address the other's main concerns.

The governments wanted the barricades dismantled quickly, while the Mohawks sought to regain the power they have lost over several centuries. They asked to be treated like a sovereign nation and demanded immunity from prosecution in the shooting death of Corporal Marcel Lemay at Oka.

Announcing his call to the army, Mr. Bourassa said he was obliged to assume his responsibility for public order, "and I hope in the coming days we will have a resolution to this crisis."

Some Mohawks fled their reservations after the order to the army was issued.

In Kahnawake, just south of Montreal, at least 100 women and children were evacuated by boats over the St. Lawrence River. Several residents were also reported fleeing the Kahnesatake reservation, near Oka.

Those who left Kahnesatake were not allowed to return. Soldiers setting up checkpoints around the community said they had instructions to bar access to everyone but those carrying food and medicine.

General John de Chastelain, chief of staff of the Canadian Forces, said in Ottawa that soldiers would refrain from force against the Indians "unless obliged to do so by the warriors."

(A.P., Reuters)

All of GM's U.S. Cars to Have Air Bags by '95

New York Times Service

DETROIT — In a move that should make air bags as common in cars as seat belts, General Motors Corp. said it would install driver's-side bags in all its domestically built cars starting in the fall of 1995.

Of the three major U.S. automakers, GM's is the lowest percentage of cars with air bags. It has been installing the devices in only about a sixth of its cars built in the United States, offering instead an automatic seat belt as the primary means of complying with a federal law requiring safety equipment even if riders don't activate it, as in buckling a seat belt.

The growing popularity of air bags with competitors, and reports from customers that they were effective in accidents, apparently convinced GM to stop bucking an industrywide trend.

GM makes about 35 percent of the cars sold in the United States, followed by Ford with about 21 percent. The Chrysler Corp., although the smallest domestic automaker, has been the most aggressive in offering air bags.

Starting with the 1990 model year, Chrysler put the bag on the driver's side of nearly all cars built in North America, except one model built in Canada and one built in a joint venture with Mitsubishi Motor Corp.

British Official Allowed To Remain in Yemen

United Press International

LONDON — Yemeni officials have withdrawn an order expelling Britain's consul-general in Aden, the Foreign Office announced.

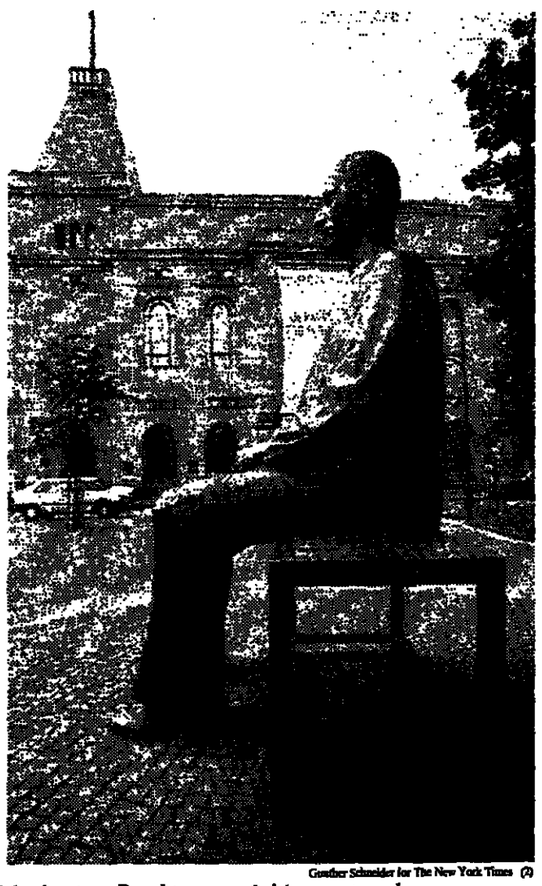
On Saturday, the counsel-general, Douglas Gordon, was given 48 hours to leave the country after Yemen said he had been caught taking photographs of a refinery and military sites. The Foreign Office maintained that he had been watching ships that could be plainly seen by any observer.

Berliner Ensemble

Has Brecht's Theater Lost Its Teeth?

And the shark, he has teeth
And he carries them in his face
And Mucheath, he has a knife
But the knife one does not see.
— "Die Dreigroschenoper" by Bertolt Brecht, 1928

By Ferdinand Protzman
New York Times Service



Gunther Schneider for The New York Times (2)

Chefdramaturg Joachim Tenschert in Berliner Ensemble's theater; Brecht memorial in courtyard.

BERLIN — Getting a ticket to the Berliner Ensemble was difficult during communism's heyday in East Germany. Performances were nearly always sold out for shows by the theater troupe founded in 1949 by Bertolt Brecht and his wife, Helene Weigel, to inspire, instruct and entertain the workers and peasants as they strove to build a new, classless society on the ruins of the Third Reich.

But last fall, hundreds of thousands of East Germans took to the streets demanding an end to communism and reunification with West Germany, a country Brecht reviled as a bloated beer-hall state ruled by warmongering capitalists and unrepentant Nazis.

Suddenly, the Berliner Ensemble and East Germany's other state-controlled theater companies were playing to houses half-filled, usually by Western tourists.

Those East Germans not acting in the real-life drama on the streets watched it on television, which was an infant medium when Brecht, the best-known German dramatist of this century, died in 1956. Despite claims to the contrary, the theaters played a marginal role in the peaceful revolution.

East Germany's theaters remain in crisis. The end of communism has offered new creative freedom, but also a severe loss of identity and a real possibility of financial failure.

With a new theater season coming in September and German unity expected by October, the central question is whether 40 years of totalitarian rule have permanently alienated the East German public, which is now free to sample the myriad and long-forbidden entertainment offerings of the West.

The Berliner Ensemble, which was created as a personal vehicle for the man who instantly became East Germany's first cultural icon, is faced with questions that strike at the very root of its existence.

Is Brecht still relevant now that the ideology and state he served are vanishing? Are Brecht classics like "The Threepenny Opera," "Mahagonny" and "Mother Courage" still viable box-office attractions? Does the shark still have his teeth, now that West German marks rule the day?

Joachim Tenschert is a 62-year-old former student of Brecht, and since 1977 he has been the *Chefdramaturg* of the Berliner Ensemble, a position that gives him nearly dictatorial power over the ensemble's repertory. Tenschert's answer to the vanishing audience problem and the rumblings from critics and academics about Brecht's position in theater history is to put even more Brecht on the stage in the coming season.

The ensemble has weathered other crises, Tenschert said, citing the East German uprising of June 17, 1953, Brecht's death and the building of the Berlin Wall on Aug. 13, 1961. He noted that the ensemble has always pulled through, thanks to Brecht.

"We are better equipped than other East Berlin theaters to survive because of a growing interest in Brecht," he added. "There is a retroactive need to see Brecht theater among the West German and West European public. They are profiting from the changes because now there are no problems with crossing the border or changing money. One goes normally to the theater here."

The unabashed intention is to generate cold, hard Deutsche marks, which became the sole German currency on July 1. New finances are also to come from the Berlin Senate for Culture, the arm of the city government that finances theaters.

The money generated by putting on Brecht's works is to help pay for what Holger Teschke, a 31-year-old dramatist with the Berliner Ensemble, called the group's experimental pieces. Most prominent of those was "Germania: Death in Berlin," by the East German playwright Heiner Müller, whose works were banned by the Communist government from 1961 to 1973 because some were critical of socialism.

"Naturally, we will build up the Brecht line for economic, social and political reasons," Teschke said. "And we will continue to experiment as well. But we are not going to let ourselves now be turned away from authors or theater form because of economic or lightly veiled political reasons."

Brecht was after all the man who when asked by the House Committee on Un-American Activities whether he had ever applied to join the Communist Party answered, "No, no, no, no, no, never."

He then returned to Berlin, armed with an Austrian passport, a Swiss bank account and a contract from a West German publisher.

Brecht also took no part in the East German workers' revolt of 1953, preferring to keep the Berliner Ensemble's rehearsals going and see how events unfolded.

THAT cynicism prompted the West German author Günter Grass to write an accusatory drama, "The Plebeians Rehearse the Uprising," in which construction workers disrupt rehearsals of a theater troupe headed by the Boss, portrayed as a state-supported stooge who gives a touch of cultural credibility to the totalitarian regime.

The uprising last fall was a different story, Tenschert said.

On Nov. 4, four Berlin theaters — the Deutsches Theater, the Gorki Theater, the Volksbühne and the Berliner Ensemble — sponsored a demonstration that sent 750,000 people into the streets of Berlin.

"That's something that theater didn't even achieve in the French Revolution or in the Russian Revolution," Tenschert said.

"The theater went to the streets out of a sense of societal responsibility for the public. Naturally, Dresden and Leipzig did immense political preparatory work for this through their demonstrations. But this was the point where it took off. In the capital, under the eyes of the government, the media and the world. Then came *die Wende*."

Tenschert's account of how die Wende — the turning point — came to pass is challenged in both East Germany and West Germany.

"East Berlin's theaters did not lead anything," said Rolf Michaelis, drama critic for Die Zeit, a West German weekly. "The revolution came from Leipzig and Dresden. In Berlin, the theaters waited until they saw clearly which way the wind blew. Then they took to the streets. When it was safe."

History, Michaelis said, will also judge the Berliner Ensemble and Bertolt Brecht differently.

"The Berliner Ensemble is a dead house," Michaelis said. "Unfortunately, Brecht's heirs haven't dared anything new. Haven't risked anything for almost the past 20 years. It has become a museum."

Brecht's writing appears to have escaped condemnation, however.

Joachim Krause, a professor of German literature at the University of Bonn, said Brecht "remains the most performed German dramatist, and that is unlikely to change."

It is Brecht's name, not the names of the other authors, that is to be on the marquees.

"It always astonishes people when we show them that the share of Brecht to other authors in our repertoire was only one in four," Tenschert said. In the future, it will be closer to 50 percent.

Outside Tenschert's office the crisis is hardly evident. The courtyard of the Berliner Ensemble's charming old neo-baroque Theater am Schiffbauerdamm, where "The Threepenny Opera" had its premiere in 1928, seems a leafy island of summer calm in the exhaust-filled tumult of East Berlin.

In Bertolt-Brecht-Platz, a small square in front of the theater, is a statue of the writer, looking westward with the famous enigmatic smile. The revised ending he wrote in 1948 to Mack the Knife's ballad comes to mind:

Because a shark is not a shark,
If one can't prove it.

LONDON THEATER

Maugham's Bitter Parable

By Sheridan Morley
International Herald Tribune

LONDON — Written and first staged in 1921, frequently revived until World War II and very seldom thereafter, Somerset Maugham's "The Circle" is his most characteristic serious comedy. A bitter country-house parable of lost love and social destruction, it gave Rex Harrison his farewell role on Broadway early this year and is now on a British tour with the same director, Brian Murray, but only Stewart Granger surviving from the American cast.

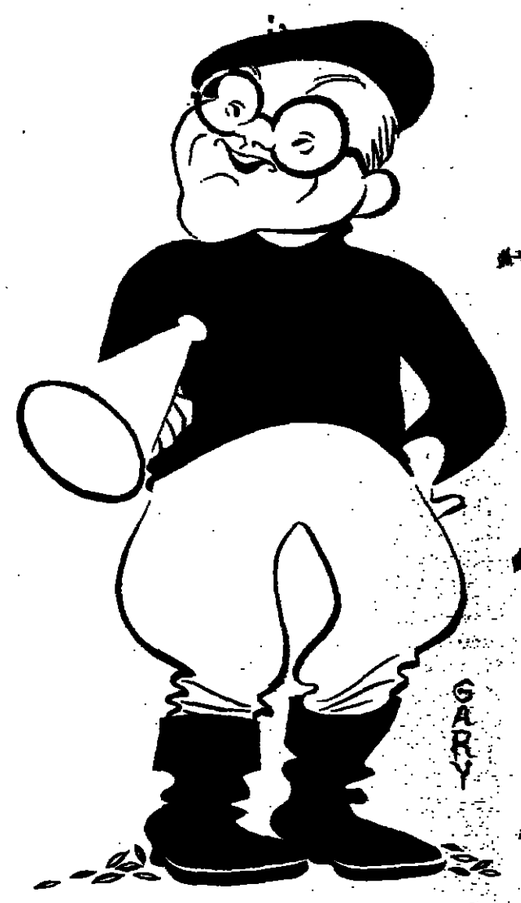
Granger, away from the British stage for 40 years, returns with considerable quiet charm and confidence in the most thankless of the three leading roles, that of the dull but amiable man whose wife has, 30 years before the play begins, run off with his parliamentary leader, Lord Porteous. This was the Harrison role, now played by Ian Carmichael, with Rosemary Harris replacing Glynis Johns as the errant wife. All three establish in a somewhat somnolent way that this must once have been a play of considerable high-society shock value.

A boring young politician has invited his long-lost mother (Harris) for the weekend, unaware that his father (Granger) is also about to visit. He also doesn't know that his own wife is about to do precisely what his mother did 30 years earlier. That much becomes clear by the end of Act I, and for the remainder of the evening Maugham debates the ethics of sex versus society.

He starts by showing us that love is indeed not everything: Porteous returns as an aged, toothless drunk while the wife and mother he ran away with has become a ludicrously wigged old crone, still regretting the place in country-house society she abandoned. For a while it looks as though the young wife is not going to have much trouble deciding to stay with her own dull husband, given the example before her.

But Maugham was cannier than that, and like the best of his short stories, "The Circle" carries a surprising twist. What it does best though, in Brian Murray's faithful if rather static production, is illustrate desperate ambiguity about British society in the '20s.

His own anguished bisexuality had already marked Maugham as an outsider, and yet he fervently believed in Victorian values. It is this constant juxtaposition of happiness versus heritage that gives the play a kind of timeless fascination.



Gary Sach

Kenneth Branagh in "Midsummer Night's Dream."

Few if any actors of the decade have been as lavishly praised and then denigrated as Kenneth Branagh. A young classical actor making a determined grab for Olivier's crown with the film of "Henry V," he has also had the courage to take his own touring company of 17 players through the United States and Japan before ending up at London's Dominion Theatre last week with a doubling of "King Lear" and "A Midsummer Night's Dream."

The problem is essentially that Branagh has not been able to attract a company with anything like the strength needed for "Lear," which has Richard Briers in the title role suggesting that he might have made a memorable Fool, while Emma Thompson as the Fool suggests an intriguing Cordelia.

Nothing here suggests he is yet ready to direct the most difficult and demanding of Shakespeare's tragedies, least of all with a scratch company looking last week more travel-stained than experienced.

It is unluckily the year of other and better "Lears," though the same company, with Branagh again as director, does manage a much more presentable "Dream" with Briers as Bottom and Branagh as Quince, both suggesting characters from some period Ayckbourn comedy of rustic players.

But it is perhaps unjust to judge Branagh's Renaissance company by London or Stratford standards. This is essentially an actor-led touring troupe, much like the prewar outfit of Donald Wolfit immortalized by Albert Finney in "The Dresser."

Push for Patriotic Purity Squeezes Chinese Film Industry

By James Sterngold
New York Times Service

BEIJING — Ideological purity in the arts always exacts a price, but in China's film industry, which was blossoming before political hard-liners took control of the government, it is proving ruinous.

More than a year after the government sent tanks into Tiananmen Square to crush the pro-democracy movement, the subsequent clampdown on liberalization in the arts has forced filmmakers to portray "patriotic" themes. No longer are they allowed to make highly popular kung-fu thrillers, tame love stories, serious stories of official corruption and disillusioned youth and other Western-influenced movies that had highlighted the growing discontent among Chinese. In recent weeks, officials have emphasized that they will push even harder for filmmakers to follow Communist orthodoxy.

As a result, China's film industry is facing a financial crisis, according to Teng Jinxian, head of the film bureau at the Ministry of Radio, Film and Television and the top film censor.

Teng, a former actor and director, conceded that fewer films were being made, that their quality was declining and that audiences were abandoning theaters for their television sets and other amusements. He added that young people were largely bored by the new type of politically correct movies that were being ordered up by his ministry on such subjects as the history of the Communist Party, the development of the economy and the construction industry. "I cannot give you a figure," he said of the losses being suffered, "but it is colossal."

Teng said the industry's worst enemy was not subversion or ideological impurity, but television, which offered greater variety. "It's a competition between an athlete on foot and another in a vehicle," he said. "It's a dreadful picture."

Teng called the situation "devastating," but said his bureau was pushing filmmakers even harder to produce movies that showcase the government-approved themes of selflessness and patriotism. He extolled a new movie called "Hello to the Pacific." It is, he said, about the development of the Shen-zhen Special Economic Zone in southern China. Teng's main proposal for solving the financial problems is to increase ticket prices in urban areas for the first time in 30 years. He said they would soon be raised from the equivalent of six cents to a little more than seven cents.

But Teng offered a spirited defense of the new strictures as necessary to maintain public order, a sign that any easing is unlikely soon. "The most important criterion for judging a film is its ideological content," he insisted. "We carried out some investigations and found that social delinquency was a result of foreign and violent films."

Tadao Sato, a Tokyo-based critic who has written several books on Chinese film history, said the problems of the industry were particularly upsetting because it had so recently been enjoying something of a renaissance, with the country's 15 studios turning out films portraying the disillusionment of young Chinese with corruption and official incompetence. "The situation has gotten very bad, and filmmakers I know are deeply troubled by what is happening," Sato said. "In the last three or four years it was a golden period for Chinese films. Filmmakers were becoming more ambitious and they had enough freedom to produce new kinds of films. It was quite courageous."

Signs of how much this has changed can be seen in newspapers regularly. In a recent instance, He Jingzhi, the acting Minister of Culture, insisted in a speech quoted widely in the press that artists had to adhere to the "socialist road" and that they should work to wipe out "bourgeois liberalization," or Western influences.

Following that road, the industry has seen the number of film tickets sold drop from 8.3 billion in the first half of last year to 8 billion in the first half of this year, according to figures issued by China's state-owned film distribution monopoly.

Hu Jian, the distribution company's general manager, was quoted by the New China News Agency as saying that the number of films produced by film studios for release had tumbled to 46 in the first half of this year from 65 in the same period last year. "Young people would like to spend their money on something amusing," Teng conceded in the interview. "The films that preach about patriotism are not very enjoyable to them."

Soviets, for First Time, to Open Files to Inquiry on Wallenberg Fate

By Bill Keller
New York Times Service

MOSCOW — The Soviet Union has agreed for the first time to open prisons and archives to an international commission investigating the fate of Raoul Wallenberg, the Swedish diplomat who disappeared into the Soviet prison system after saving thousands of Jews from the Nazis, according to members of the commission.

They said the promise of collaboration by Soviet agencies — including the KGB, whose files are considered the richest potential source of information — offered the best chance to date of proving or disproving the Soviet assertion that Mr. Wallenberg died in 1947.

But some members of the commission said Monday that they were skeptical about the promise of full disclosure. The group's first request to the KGB, for files of Smersh, the now-defunct counterintelligence agency that arrested Mr. Wallenberg in January 1945, met with a noncommital response.

The new investigation is extraordinary in that the collaborators include not only Soviet law enforcement and intelligence agencies, but former political prisoners, a representative of Moscow's Jews, and a specialist from Memorial, a Soviet anti-Stalinist society.

Irwin Cotler, a Canadian lawyer long involved in Soviet human rights issues, said the new investigation had been modeled on the work of an international commission that led to the official Soviet admission of the massacre of Polish soldiers in the Katyn forest in World War II.

"The Soviets have said they will not insist on their position that Raoul Wallenberg died in 1947, but will allow for an open-ended investigation," Mr. Cotler said. "And they have promised to make all the evidence available. In our discussions, they acknowledged that their own previous inquiries had been superficial."

The commission was to begin this week with a visit to Vladimir Prison, where numerous inmates reported seeing Mr. Wallenberg in the decades after the date Soviet officials have long given for his death. The investigators include two former political prisoners, now émigrés, who served time in that prison.

They are Cronid Lubarsky, who runs a human rights information service in Munich, and Marvin Makinen, chairman of the biochemistry department at the University of Chicago.

As an amateur Swedish diplomat in wartime Budapest, Mr. Wallenberg rescued thousands of Hungarian Jews from the gas chambers by feats of boldness and ingenuity.

He vanished into Stalin's prison system after the Red Army captured Budapest. There was no official word of his fate until 1957, when repeated queries from the Swedish government resulted in a statement that Mr. Wallenberg had died, at the age of 35, of a heart attack in Lubianka prison in Moscow.

Last year, after insisting for decades that all documents in the case had disappeared, Soviet authorities produced Mr. Wallenberg's passport and personal effects, but stuck to the original version of his death.

An international commission of inquiry that operated with limited Soviet cooperation concluded last May that there was "compelling" evidence Mr. Wallenberg was alive in the 1950s and 1960s, and "credible" evidence that he was still alive into the 1980s.

Mr. Cotler, who was chairman of that earlier investigation, said the last reported sightings were by two witnesses who said they had evidence that Mr. Wallenberg was in a prison between Moscow and Leningrad in November 1987.

Alexei Kartsev, who has been investigating the Wallenberg case for the Soviet daily Komsomolskaya Pravda, said that in the past year the authorities have allowed him to visit Vladimir and examine records there, but that many documents seemed to be missing.

"We have been given answers to almost every one of our questions," said Mr. Kartsev, who is working with the new investigation. "But the quality of the answers has not always been satisfactory."

Townships Peaceful in South Africa

The Associated Press

JOHANNESBURG — The South African police said two black men were killed in unrest, but the country's major townships were peaceful Tuesday after two weeks of factional fighting that has claimed more than 500 lives.

Meanwhile, President Frederik W. de Klerk planned to meet church leaders who allege that police have sided with the Zulu-based Inkatha movement during the recent fighting in the townships ringing Johannesburg.

Zulus loyal to Inkatha have been battling black supporters of the African National Congress in some of the worst violence since nationwide unrest during the mid-1980s.

The police said the two recent deaths were in Vosloorus, southeast of Johannesburg, and in Natal Province.

There has been no major fighting in the townships since last week. Soldiers and police have been patrolling the troubled areas and confiscating weapons, including guns, spears, knives and axes.

Nelson Mandela, the ANC leader, the Anglican Archbishop Desmond Tutu and other anti-apartheid figures have accused the police of fueling the conflict.

A delegation from the anti-apartheid South African Council of Churches was scheduled to meet with Mr. de Klerk in Pretoria.

Church leaders have said that the police appear to be actively helping the Zulus and have done nothing to disperse them.

International Herald Tribune

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ACROSS

1 Gelid
5 Broom made of twigs
10 Bridge coup
14 Island or port now called Xiamen
15 Marry on the run
16 "Welcome ——," Altman film
17 Operatic offering by Puccini
20 Erne or eagle
21 Nerve networks
22 Morning condensation
23 Canadian Indians
25 Shiny fabric
29 Hors d'oeuvres
32 Portent
33 Squelched
34 Adage
36 Operatic offering by Gounod
40 Male sheep, to a Londoner
41 Fluff, in Frankfurt
42 Stem
43 Touch up old furniture
45 Domesticated European polecat
47 Genre
48 Type of scan
49 At right angles to a ship's keel
52 Subject to obligation
57 Operatic offering by Wagner
60 Succulent plant
61 Join
62 "To —— and a bone . . .": Kipling
63 Tear
64 Less feral
65 Racquets and paddles

DOWN

1 David, for one
2 Actor Sharif
3 Mineral deposit
4 Pair
5 Like some paths
6 Nudge
7 Like some pickles
8 Choose
9 Lincoln Ctr. building
10 A star of "She-Devil"
11 Golf shot
12 "—— Want for Christmas . . .": 1946 song
13 Pre-Columbian Amerind
18 Created
19 Operatic offering by Verdi
23 Fact
24 Chemical compound
25 Ilk
26 ——-propre (self-respect)
27 Home of the Sun Devils
28 Abilene-to-Fort Worth dir.
29 Style of cooking
30 Glyceride is one
31 "Socrate" composer
33 Reserved
35 Departed
37 Wolfe's "—— and the River"
38 Verve
39 Misdo
44 Emulated Tai and Randy
45 Dell denizen
46 Major ending
48 "Le —— de Monte Cristo," by Dumas père
49 Gelling agent
50 Tree trunk
51 Backward note?
52 Disfigure
53 Kind of bag
54 Halo
55 Pesky mite
56 Roe
58 Muffler's menace
59 Gene material

Solution to Previous Puzzle

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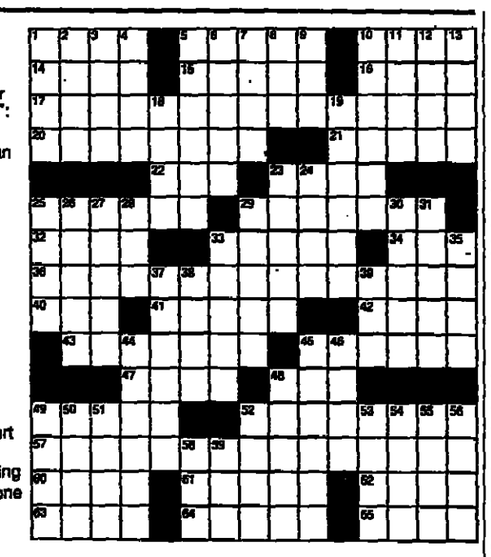

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Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chg
A										
37½	15¼	AAR	.48	3.0	10	138	16¼	16	16¼	+⅛
9⅞	7⅛	ACM n	1.01	12.8	—	94	7⅞	7⅞	7⅞	—
11⅛	9⅛	ACMIn	1.26	12.8	—	271	9⅞	9⅞	9⅞	+⅛
9⅞	7	ACM M n	1.01	14.4	—	211	7¼	7	7	—⅛
12½	10	ACMMM	1.50	13.2	—	130	11⅜	11⅛	11⅜	+⅛
11½	9⅛	ACM Sc	1.26	13.1	—	607	9⅝	9½	9⅝	+⅛
9⅞	7¾	ACMSp	1.01	12.4	—	528	8⅛	8	8⅛	—
24⅜	14¾	AL Lab	.16	.8	17	138	20⅛	19½	19¾	+¼
5⅜	1⅜	AM Intl	—	—	—	796	1⅝	1½	1⅝	—⅛
23½	7	AM In pf	2.00	25.0	—	20	8⅛	8	8	—
107¾	43⅝	AMR	—	—	10	4571	47	45	45	—2
4¼	2⅜	ARX	—	—	9	144	3⅛	3	3	—⅛
72¼	41⅛	ASA	3.00a	6.2	—	1813	49	47¼	48½	+⅜
45⅝	30⅝	AbtLab s	.84	2.1	19	6557	40¼	39¾	40¼	+1
15⅞	11¼	AbitIbi g	.50	—	—	16	13⅝	13⅝	13⅝	—
11⅞	6½	AcmeC	.40	6.3	8	166	6⅛d	6	6⅜	—¼
9⅞	6⅝	AcmeE	.32	4.6	9	2	7	7	7	+⅛
49⅞	28⅝	Acuson	—	—	24	398	43⅝	41½	43⅝	+1⅜
16½	14⅛	AdaEx	2.06e	13.5	—	167	15⅛	15⅛	15¼	+⅛
15⅝	10	Adobe	—	—	—	235	11⅝	11	11	—½
20¼	18	Adob pf	1.84	10.2	—	7	18⅛	18⅛	18⅛	—
21⅞	20⅛	Adob pf	2.40	11.5	—	39	20⅞	20⅞	20⅞	+⅛
11⅞	4⅞	AMD	—	—	23	1050	5⅝	5½	5⅝	—⅛
32⅞	24½	AMD pf	3.00	12.0	—	9	25½	25	25	—½
9¼	3⅛	Advest	.16	4.7	42	79	3⅜	3⅜	3⅜	—
62½	43⅝	AetnLf	2.76	6.3	7	2060	44⅛	43⅝	43⅝	—⅛
13⅞	8¼	AflIPb	.24	2.7	—	475	9	8⅞	8⅞	—
25	15⅞	Ahmans	.88	5.2	7	577	17	16¾	17	+¼
3⅝	1⅞	Aileen	—	—	—	512	3	2⅞	2⅞	+⅛
61	43	AirPrd	1.44	3.1	12	1052	46⅛	45⅞	45⅞	—⅜
27	16⅜	AirFrt s	.30	1.4	12	469	21⅞	20⅞	21⅛	—⅛
24¾	13⅝	Airgas	—	—	29	74	15⅝	15	15⅝	+⅝
20¾	16½	Airlease	2.52	14.5	9	54	17⅛	17⅛	17⅛	—⅛
10¼	9¼	AlaP dpf	.87	9.6	—	x24	9⅛d	9	9⅛	+⅛
27⅞	16	AlskAir	.20	1.1	9	240	17⅞	17⅝	17½	+⅛
22½	11⅜	Albrtyln	.35	2.7	12	60	13	12⅝	13	—
27⅝	20	Alberto s	.20	.9	18	73	22⅛	21⅜	21⅞	—½
22¼	15⅜	AlCulA s	.20	1.2	14	228	17⅛	16⅞	17⅛	—
33⅝	24⅝	Albtsn s	.48	1.5	22	2504	37⅛	32	32⅛	—⅛
25⅛	18⅞	Alcan	1.12	5.2	8	1090	21⅞	21⅜	21⅜	—⅛
37⅞	27⅛	AlcoStd	.84	2.8	11	925	30⅜	29⅞	30⅛	+⅛
34	20	AlexAlx	1.00	4.8	19	x86	20⅞	20½	20⅞	—
63¼	30½	Alexdr	—	—	—	5	31⅞	31⅛	31½	—
98¼	76½	AllegCp	1.72f	2.1	8	3422	82	78¼	82	+4

(Continued on page 11)

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MEDIA MARKETS

Instant Answers Are Out: It Takes Time to Zap Zits

By Randall Rothenberg
New York Times Service

NEW YORK — Advertising, with its brassy promise of immediate, when-it-absolutely-positively-has-to-be-there-overnight results, has begun to croon a softer, sweeter tune: Buy now, be satisfied later. Consumer-product manufacturers who once vowed instantaneous answers to bad breath and engine knock are now using their television commercials and print ads to ask for a little time.

The pledge of fast change embodied in the old Crest toothpaste anthem — "Look, Ma! No cavities!" — has given way to appeals to patience, as illustrated by the new Texaco System 3 gasoline campaign that pleads, "Five tanks is all we ask."

'It won't happen overnight,' said the hair shampoo actress.

Where it once took a spoonful of Cocoa Puffs to send its tufted spokesbird into paroxysms of delight, today Grape Nuts cereal is entreating, "Try it for a week." Audi automobiles are even requesting a "three-year test drive."

John Neiman, the chief creative officer at the D'Arcy Masius Benton & Bowles advertising agency in New York, believes the ad industry, if not the United States, has entered an "era of less-than-instant gratification," which he contrasts to a past decade stuffed with quick fixes like "junk bonds" and tax cuts.

He dates the transition in the marketing Zeitgeist to 1988, a year that some political philosophers find notable for the election of George Bush as president, but that Mr. Neiman recalls as the time that Kelly Lebrock began appearing in ads for Pantene shampoo and hair conditioner.

As in conventional ads featuring celebrity spokespersons, Ms. Lebrock, a raven-haired model and actress, confessed to occasionally unruly hair and promoted Pantene as the solution.

But in a startling departure from the norm, she conceded: "It won't happen overnight. But it will happen."

IT MAY BE HARD TO BELIEVE that the kingdom of one-hour Martinizing and fast-food franchises is becoming the land of deferred gratification.

But there are tantalizing, if anecdotal, bits of evidence. Sales of some microwave products have begun to plummet; microwave pizza sales dropped 16.6 percent by the end of March from a year earlier, according to Arbitron/SAMI, the research service. Sales of ground coffee increased last year, while instant coffee sales fell.

DMB & B's own campaigns for Clearasil acne medication well represent the shift. About a year and a half ago, the agency released a commercial entitled "Double Zap."

A panoply of fast-moving images set against a throbbing musical undercurrent, the rock-video-style ad opened with an announcer asserting: "You can run but you can't hide. You zap one pimple, another one appears. You need to zap, zap, double zap your zits."

Sure enough, with one brush of a Clearasil pad, the commercial's distraught protagonist is out and about, his arm around his girlfriend, his face miraculously unblemished.

This year, the agency introduced a new commercial — a week in the life of an auburn-haired lass played out to the more amiable early 60s song, "Da Do Run Run Run."

On Monday, she discovers a facial imperfection. On Tuesday, Wednesday and Thursday, she applies Clearasil, allowing her to venture out happily on Friday with "a guy named Bill."

The ad concludes, "Clearasil guarantees you fewer pimples in five days or your money back."

Mr. Neiman attributes the change in marketing strategies to consumer cynicism that has been fed by television programming and advertising.

"We are in an era saturated by public-service ads and other images showing the problems of AIDS and drugs, which tell people that solutions will take years," he said. "A decade ago, everything was 'Ozzie and Harriet' happy endings. But today, you try to run a commercial that says, 'Try this — you'll feel good overnight,' after an AIDS or antidrug ad, and consumers will turn you off."

CURRENCY RATES

Cross Rates

Aug. 28

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.744	3.4015	1.1266	0.3361	0.1524 *	—	5.487 *	1.3651	1.2365 *	1.5305	1.826 *
Brussels	31.7825	62.065	20.536	6.1265	2.7774 *	18.238	—	24.089	0.2221	27.915	33.275 *
Frankfurt	1.5405	3.018	—	0.2984	0.1353 *	0.8876	4.871 *	1.212	1.0815 *	1.3675	1.621 *
London (a)	1.947	—	3.029	10.147	2,271.50	3.4053	60.65	2.4925	279.075	2.230	186.50
Madrid	95.589	186.27	61.729	18.414	8.338 *	54.773	3.085	74.751	66.778 *	83.72	—
Milan	1,144.35	2,231.50	739.55	220.45	—	656.34	36.002	896.35	7.995	1,003.85	11.98
New York (b)	—	1.943 a	1.5559	5.217	1,150.80	1.7528	31.955	1.2865	140.77	1.1483	95.595
Paris	5.1895	10.123	3.3558	—	0.4534 *	2.9751	0.1633	4.062	3.6252 *	4.5565	5.4315 *
Tokyo	143.30	279.15	92.49	27.44	0.1252	82.29	4.5142	112.81	—	125.32	1.5001
Toronto	1.142	2.2238	0.7348	0.2191	0.995 *	0.6520	3.583 *	0.8894	0.795 *	—	1.186 *
Zurich	1.281	2.4973	0.8262	0.2462	0.1117 *	0.7336	4.023 *	—	0.8938 *	1.1237	1.3353 *
1 ECU	1.3376	0.6850	2.071	6.9402	1,531.29	2.3332	42.5224	1.7000	191.344	1.5342	127.808
1 SDR	1.396	0.7164	2.1402	7.2447	1,598.30	2.4347	44.369	1.7848	200.329	1.5837	133.414

Closings in London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	6108.2	Greek drac.	153.65	Mex. peso	2884.01	S. Afr. rand	2.54
Austral. $	1.2048	Hong Kong $	7.772	N. Zealand $	1.5944	Soviet ruble*	0.564
Austr. schil.	10.94	Indian rupee	17.331	Norw. krone	5.997	Swed. krona	5.702
Brazil cruz.	72.80	Indo. rupiah	1858.01	Phil. peso	24.83	Taiwan $	26.89
Chinese yuan*	4.72	Irish £	0.5797	Port. escudo	137.10	Thai baht	25.51
Danish krone	5.92	Israeli shek.	1.95	Saudi riyal	3.70	Turkish lira	2691.39
Egypt. pound	2.7834	Malay. ringg.	2.6930	Sing. $	1.7763	UAE dirham	3.62
Fin. markka	3.6595			S. Kor. won	715.00	Venez. boliv.	48.30

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9386	1.9277	1.9176	Canadian dollar	1.1440	1.1485	1.1523
Japanese yen	143.16	143.19	143.19	Swiss franc	1.2764	1.2759	1.2752
Deutsche mark	1.5470	1.5471	1.5468				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 28

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8-8 1/8	8 1/8-8 1/4	8 1/4-8 3/8	14 [illegible]-14 [illegible]	9 [illegible]-9 [illegible]	7 3/4-7 7/8	9 [illegible]-9 [illegible]	8 3/4
2 months	8 [illegible]-8 [illegible]	8 1/4-8 3/8	8 [illegible]-8 [illegible]	14 [illegible]-14 [illegible]	9 [illegible]-10 [illegible]	8 1/8-8 1/4	10-10 [illegible]	9
3 months	8 [illegible]-8 [illegible]	8 [illegible]-8 [illegible]	8 1/2-8 5/8	14 [illegible]-14 [illegible]	10 1/8-10 1/4	8 [illegible]-8 1/4	10 [illegible]-10 [illegible]	9 1/8
6 months	8 1/8-8 1/4	8 [illegible]-8 [illegible]	8 5/8-8 3/4	14 [illegible]-14 [illegible]	10 [illegible]-10 [illegible]	8 [illegible]-8 [illegible]	10 3/8-10 1/2	9 1/4
1 year	8 [illegible]-8 [illegible]	8 7/8-9	8 [illegible]-8 [illegible]	14 [illegible]-14 [illegible]	10 1/2-10 5/8	8 3/8-8 1/2	10 1/2-10 5/8	9 [illegible]

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 28

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8.00	8 1/16
Com. paper 30-179 days	7.62	7.62
3-month Treasury bills	7.46	7.50
6-month Treasury bills	7.46	7.46
1-year Treasury bills	7.37	7.39
30-year Treasury bond	9.05	9.00
3-month CD's	8.10	8.18
6-month CD's	8.10	8.18
Japan		
Discount rate	5 1/4	5 1/4
Call money	7 13/32	7 7/16
1-month interbank	8 1/8	8 1/32
3-month interbank	8 3/32	8 1/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.00	8.05
1-month interbank	8.20	8.25
3-month interbank	8.40	8.45
6-month interbank	8.70	8.70
Britain		
Bank base rate	15.00	15.00
Call money	15.00	14 15/16
1-month interbank	14 29/32	14 31/32
3-month interbank	14 13/16	14 15/16
France		
Intervention rate	9 1/2	9 1/2
Call money	9 15/16	10.00
1-month interbank	9 7/8	9 15/16
3-month interbank	10 3/16	10 1/16
6-month interbank	10 7/16	10 7/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Aug. 28

1 month	8 1/8 - 8 1/4
2 months	8 1/8 - 8 1/4
3 months	8 1/8 - 8 1/4
6 months	8 3/16 - 8 5/16
1 year	8 1/4 - 8 3/8

Source: Reuters.

U.S. Money Market Funds

Aug. 28

Merrill Lynch Ready Assets
30-day average yield: 7.60
Telerate Interest Rate Index: 7.92
Source: Merrill Lynch, Telerate.

GOLD

Aug. 28

	A.M.	P.M.	Chge
Hong Kong	393.00	392.85	— 10.90
Luxembourg	393.15	—	— 14.35
Paris (12.5 kilo)	391.55	391.97	— 17.04
Zurich	392.63	388.13	— 13.12
London	392.55	388.25	— 22.05
New York	—	383.85	— 3.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Fiat Plans To Cut Its Output

Lower European Car Sales Blamed

Compiled by Our Staff From Dispatches

ROME — Fiat SpA said Tuesday it planned to cut car output for the rest of the year by 75,000 vehicles and temporarily idle more than a quarter of its work force to reduce stocks in the face of a slumping European automobile market.

The company's auto-personnel director, Maurizio Magnabosco, told a news conference Fiat planned a program of temporary layoffs involving 35,000 workers to be spread out from September to December.

The United Auto Workers union picked General Motors Corp. as the target company for its contract negotiations. Page 10

He made the announcement after a meeting with unions representing Fiat's 117,000 auto workers.

Fiat is Italy's biggest private industrial company. It tied Volkswagen AG as Europe's car sales leader last year, selling 2.8 million cars under the Fiat, Alfa Romeo and Lancia labels.

The layoffs will affect 12 of Fiat's 21 plants in Italy.

Union leaders said the company planned to close Fiat body plants for upper- and lower-range cars.

Mr. Magnabosco said the measure would not affect middle-range cars such as the Fiat Tipo and the Tempra.

The move stemmed from concern over the automobile market and was not sparked by the Gulf crisis or its effect on gasoline prices, Fiat said.

The auto market saw a marked slowdown in June after several years of expansion. Auto makers have not yet released sales figures for July and August, but the signs are not good for the Italian market, which represents more than 50 percent of Fiat sales.

Fiat is holding up well on some foreign markets, however. Initial figures from West Germany show the company had a 5.5 percent market share in July, up from 4.4 percent in July 1989, and Fiat's market share in France rose to 7.7 percent from 7.4 percent last year.

(Reuters, AFP)

■ Renault Plans Sale

France's state-owned automaker Renault plans to sell a 35 percent stake in its steering systems subsidiary SMI to the Japanese ball-bearing maker Koyo, a subsidiary of Toyota, Agence France-Presse reported from Paris.

Renault management declined to comment on the report from members of the CGT and CFDT trade unions, both of which condemned the plan.

SMI, based in the Rhone valley, employed 725 people at the end of last year and reported a net profit of 17.1 million francs ($3.3 million) on sales of 699 million francs.

Guinness Trio Gets Jail Time

By Steven Prokesch
New York Times Service

LONDON — The former chairman and chief executive of Guinness PLC was sentenced Tuesday to five years in prison for his role in one of Britain's biggest financial scandals in decades.

On Monday, Ernest W. Saunders, 54, was found guilty of conspiracy, fraud and theft charges for his part in an illegal scheme to help the brewery company win the 1986 takeover fight for the Distillers Co., the spirits concern.

He was given concurrent sentences Tuesday of five years and three and a half years in London's Southwark Crown Court.

A co-defendant, Gerald Ronson, 51, chairman of Heron International PLC, was sentenced to one year in prison, fined a record £5 million ($9.7 million) and ordered to pay £440,000 in prosecution costs.

Mr. Saunders's sentence was considered to be stiff in the City, London's financial district. Indeed, the sentence is longer than any handed out in the Ivan F. Boesky insider-trading scandal in the United States. Mr. Boesky himself, whose disclosures helped initiate the Guinness investigation, received a three-year sentence.

Some in the City said the sentence seemed especially harsh in Mr. Saunders's circumstances. He suffered a breakdown after the scandal broke and has had to claim government welfare support to live. But others welcomed the sentence as a deterrent to those who might contemplate similar excesses in takeover fights.

"If the people were found guilty, they deserve reasonably stiff sentences," said the chief executive of a big British merchant bank, who insisted that his name not be used. "If you can catch people and punish them severely, that will prevent others from doing the same thing."

The illegal scheme involved an effort to support Guinness's stock price. The defendants were accused of orchestrating the purchase of Guinness shares to give the company's stock-and-cash offer for Distillers a better chance of bettering a rival offer from the Argyll Group PLC. Guinness, whose £2.7 billion bid prevailed, was not itself accused of wrongdoing.

In sentencing Mr. Saunders, the judge who presided over the trial told him that he had been guilty of "dishonesty on a massive scale" in authorizing illegal payments to those who participated in the scheme.

"I am quite satisfied, as the jury by their verdicts have shown, that you were at the center of the dishonest conduct that occurred," said the judge, Sir Denis Henry.

The fine imposed on Mr. Ronson, whose property and retailing concern is one of Britain's largest private companies, was the largest ever imposed by a British court. The previous high was £525,000 assessed against the National Graphical Association in 1983 for illegally picketing a newspaper plant, according to the Guinness Book of Records. The book is published by a subsidiary of Guinness PLC.

Mr. Saunders was not fined.

Sentencing of Anthony K. Parnes, a 45-year-old stockbroker also convicted in the case, was interrupted when he collapsed in the courtroom. After he recovered, he was sentenced to concurrent terms of 30 and 18 months and ordered to pay £440,000 pounds for prosecution costs.

Sentencing of Sir Jack Lyons, a wealthy financier who is 74, has been postponed until Sept. 25 because of a medical operation he is scheduled to receive.

British convicts are eligible for parole after serving one-third of their sentences or at least six months.

The Guinness scandal has come to represent in Britain what the Boesky insider-trading scandal symbolizes in the United States: the greed and quest for power that drove members of the financial and business community to gross excesses during the takeover mania of the 1980s.

A tip in 1986 from the U.S. Securities and Exchange Commission, which at the time was investigating the Boesky case, led the British government to look into the Guinness case. The SEC reportedly got the information from Mr. Boesky. The Wall Street arbitrager, who was cooperating with American authorities in the hope of obtaining an easier sentence, was allegedly involved in the Guinness scheme.

His agreement to cooperate with American and British investigators is believed to have included a promise not to be prosecuted in Britain. No charges have been brought.

It has been known that Guinness invested $100 million in one of Mr. Boesky's investment funds, allegedly as a payment for his help

Iran Seeks Time To Block OPEC Output Boost

Compiled by Our Staff From Dispatches

VIENNA — Oil Minister Gholamreza Aqazadeh of Iran, whose country has said it will not support an OPEC proposal to boost oil output, asked Tuesday that the OPEC meeting be postponed by a week to consider alternative courses.

The Iranian oil minister also suggested that a joint group of Organization of Petroleum Exporting Countries and the International Energy Agency, which is based in Paris and made up of 21 oil-consuming nations, meet to decide on joint action on the oil price crisis.

The proposal is in line with requests from Libya and Iran — which have both opposed any output increase by OPEC — that oil companies and industrialized nations release their stocks of oil to relieve the pressure on prices and make up for the shortages caused by the international boycott of Iraqi and Kuwaiti crude.

Several OPEC officials dismissed the proposal as "far fetched," saying it was not likely to change plans to adopt an immediate increase in production by those in the cartel who can do so immediately.

World crude oil prices, which fell sharply on Monday, steadied on Tuesday as traders took stock of the latest developments. In New York West Texas rose $1.07 a barrel to $27.98. In London, North Sea Brent rose 5 cents to $26.05.

Only Iraq, Iran and Libya oppose the OPEC proposal, which has the support of 10 OPEC members and requires a simple majority to be adopted Wednesday.

"On the face of it, meeting with the IEA may not be a bad idea," said one senior OPEC official who asked not to be identified. He added, however: "This is not the time to stop everything and explore this very complicated arrangement now. I think the accord we have stands and will most probably be adopted tomorrow morning."

Under the proposed agreement, all those in OPEC who can produce more oil, particularly Saudi Arabia, Venezuela and the United Arab Emirates, are expected to clear the way to do so immediately.

The Saudis, Venezuelans and others including the United Arab Emirates — the three with meaningful spare output capacity — had wanted some way or another to have OPEC's blessing before turning up the taps.

In Paris, a spokesman for the International Energy Agency rejected Iran's call for a joint meeting with OPEC on oil output. "Such a meeting is not on the cards."

"As far as the linkage between Western stocks and OPEC's production increase is concerned, we would prefer to wait and see what the other OPEC members have to say," the spokesman said.

(NYT, Reuters)

Wall Street Posts Gains

Stocks ended slightly higher Tuesday in New York, with blue chips pressured by a modest rise in oil prices and the broad market holding onto slim gains. Profit-taking after the strong rallies on Friday and Monday also weighed on the market.

Most European markets fell on profit-taking after Monday's sharp gains, but London rallied strongly and Tokyo stocks also rose. (Page 10.)

Statoil and British Petroleum announced plans for broad collaboration. Page 11

■ German Prices Probe

The West German monopolies office said Tuesday it would investigate five gasoline retailers for alleged price fixing, Agence France-Presse reported from Berlin.

The price of gasoline has risen five-fold in West Germany since Iraq invaded Kuwait on Aug. 2, but price rises by various companies have been so similar, both in amount and timing, that the monopolies office believes the rules of free competition are being infringed.

Confidence Plunges in U.S.

Two Surveys Chart a Steep Decline in Consumers' Faith

By Kathleen Day
Washington Post Service

WASHINGTON — Shaken by the Gulf crisis and fears that higher oil prices will cause a full-blown recession, consumer faith in the economy has fallen to its lowest level since the early 1980s, according to two leading surveys.

Consumer confidence has been dropping steadily since the beginning of the year. But in August, on news of a possible war in the Middle East, it dropped to its lowest level in seven years, according to the Conference Board, a prominent business and economic group whose survey was released Monday.

The August decline was even sharper than the drop following the 1987 stock market collapse.

A survey by the University of Michigan is expected to show similar results when it is released later this week.

The monthly surveys are watched closely by economists and Wall Street because of the key role that consumer psychology plays in keeping the economy going.

If consumers lose confidence in the economy, they are more apt to delay big purchases of such items as cars or houses, even if their own personal income has not changed. A large drop in consumer confidence, analysts say, could itself tip the country into recession.

"Consumers haven't created the downturn," said Richard Berner, an economist at the investment banking firm of Salomon Brothers Inc. in New York. "But they will make it worse or provide the final straw that causes a recession. I myself believe we are headed for a mild recession."

Data from the Commerce Department released Monday are likely to continue the debate about whether the economy is headed into recession. U.S. personal income rose 0.6 percent in July, following a revised 0.5 percent increase in June. Growth in personal consumption, on the other hand, slowed last month — to 0.5 percent — after a 1.0 percent gain in June.

Fluctuations in these numbers over the next several months could be key in determining how far and how fast the economy might slide.

In the Conference Board survey, the group based its findings on a survey of 5,000 households throughout the country. It used 1985 as a base for comparison by setting the index at 100 for that year.

At the end of 1989, the index was 113, meaning that confidence was 13 points higher than it was 1985. The index drifted downward to 102.4 by June and to 101.7 in July. In August, the confidence index had fallen to 83.3, down about 18 points from July and barely 3 points above the index level of 80 that Conference Board economists believe would signal a full-scale recession-level worry by consumers.

The sharpness of the August drop is largely tied to news from the Gulf, economists working on the two surveys said.

But even without the political unrest, pessimism about the economy that has been building all year would likely have continued in August, they said.

"There's the savings and loan crisis looming over us, you have virtually no employment growth

See ECONOMY, Page 10

Klaus: Tougher to Be Home Than Away

By Lawrence Malkin
International Herald Tribune

JACKSON HOLE, Wyoming — Of all the countries of Eastern Europe, Czechoslovakia, with its prewar history of liberal democracy and industrialization, is regarded by the West as the likeliest candidate for capitalism — but not necessarily by the Czechoslovaks themselves.

Finance Minister Vaclav Klaus is seen as the prize pupil of most Western economists and officials, due to his program of blasting away at the centralized planning and price-fixing institutions of Communism, and plans to turn state industries over to private ownership by the end of the year.

Harvard University has invited him to lecture on his economic program. In June, he charmed the Bretton Woods Society of international economists in Washington. Last weekend his determination was warmly applauded by present and past chairmen of the U.S. Federal Reserve Board at a seminar here for Eastern European officials that focused on the transition to market economies.

But Mr. Klaus's main problems are not on the Western lecture circuit, but back home. And he knows it.

The 49-year-old economist, who was a central bank forecaster and statistician until he was elected to parliament this spring with a higher vote total than even President Vaclav Havel, promised to take his argument directly to the people if he is blocked by what he calls "economic illiterates" in parliament. He is a forceful and witty speaker, can produce television sound bites on demand, and even has women's fan clubs backing him against the stolid local politicians who epitomize the old order.

In an interview, Mr. Klaus described his opponents as a mixture of entrenched bureaucrats and managers "who don't know how to compete and are afraid of losing their privileges," and intellectuals left over from the squelched reform movement of the 1960s "who still have their dreams of muddling through with minor improvements."

He added that some of his countrymen, still nostalgic for the brief era of Communism with a human face, are supported by Western leftists "who have lost the market for their ideas at home and now are trying to sell them to us."

'Losing time means falling into the trap of high inflation and economic, social, and political disintegration. We feel history will not forgive us if we miss our chance.'
Finance Minister Vaclav Klaus of Czechoslovakia

All have banded together to delay Mr. Klaus's program.

A half-way house of industrial policies, social subsidies and continued job security is sometimes called a third way between capitalism and communism, "but I say it is the fastest way to the Third World," Mr. Klaus said. "I have to defeat these people."

Another alternative would be to delay privatizing the economy until a tax system, a full legal framework, and a full banking system are in place. Hungary is following this go-slow approach, but there was little support for it at the seminar here.

Mr. Klaus warned that "losing time means falling into the 'reform trap' of high inflation and economic, social, and political disintegration, and we feel that history will not forgive us if we miss our chance."

In this he is backed by the International Monetary Fund, whose officials nevertheless wish he would keep a lower profile to see his program through. But Mr. Klaus disagrees. He sees his problem as mainly consolidating political support for the country to rejoin the mainstream of Western culture. Trained in Marxist economics, he picked up Western ideas by reading Paul Samuelson's celebrated textbook on economics, and proceeding from there.

Privatizing Czechoslovak industry will depend on broad popular support for a unique program: If parliament approves, Czechoslovak citizens will be offered vouchers exchangable for company shares at "some small, symbolic price."

The reason for the below-market price is to prevent the country's savings from being gobbled up in the transaction, and to have money left for the restructuring of industry as it reorganizes, in an attempt to avoid excessive dependence on foreign capital.

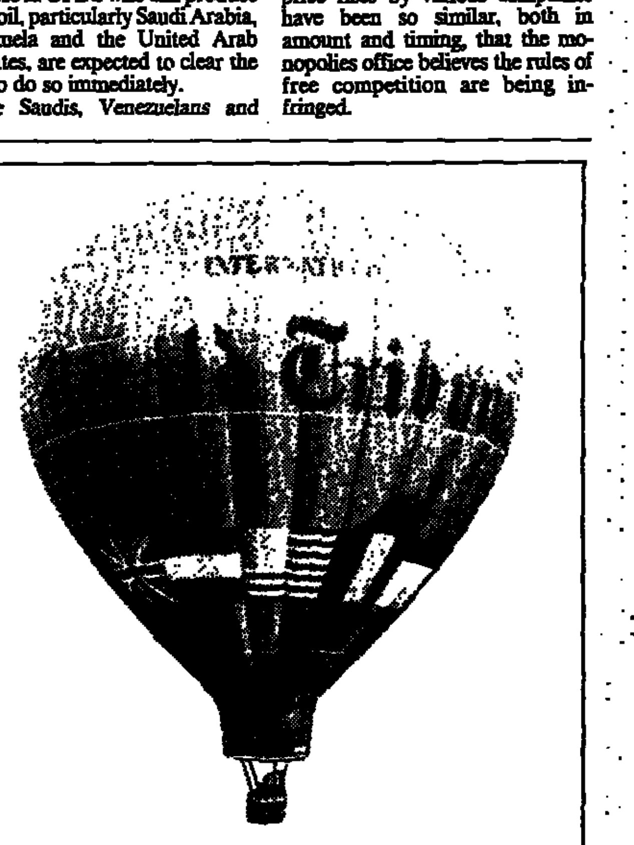
Mr. Klaus concedes the process will not only demand sacrifice, but also a measure of self-reliance that was foresworn under Communism.

But he said: "I am optimistic. I think we really are an example of the species called *homo economicus*. When they ask whether people will be able to react to price signals, I reply that our people now can visit Austria, and after twenty minutes in Vienna, they know that to buy videos, they have to buy on the left side of the Mariahilferstrasse and not on the right side," a reference to the area where merchants of Eastern European origin give their compatriots a better deal than others.

"As for work, we know how people were responding on weekends with moonlight work," he continued. "It is necessary to transform such activities into normal everyday working habits. There is no known prescription, but the motives are there, and you just have to change the working environment."

Leveraged Capital Holdings N.V.
The Quarterly Report as of 30th June 1990 has been published and may be obtained from:
Pierson, Heldring & Pierson N.V.
P.O. Box 243, 1000AE Amsterdam. Tel.+31-20-5211410.

PRIME INVESTMENT
In Toronto, Canada. Adjacent to Canada's Wonderland Theme Park.
For estate settlement purposes, a family-owned and operated mini warehousing company is for sale for approximately Cdn.$6,000,000 cash.
Package contains 9.74 acres (or 4 hectares), half is used for the mini-storage business, and the balance is used for open air storage; separate living and office space (1,587 sq.ft. or 147 sq.m.).
The business produces monthly, positive cash flow and good profits.
A detailed offering document is available.
Interested parties contact:
Elard YEO, tel.: 416-231-7356,
1 Aberfoyle Cres., Ste. 606, Etobicoke, Ontario,
Canada M8X 2X8; Bradley CANIVET,
tel.: 416-851-2269; Fax: 416-741-9059.



34th GORDON BENNETT BALLOON RACE

Lech am Arlberg, Austria
September 1, 1990

The world's most prestigious balloon race was created in 1906 by James Gordon Bennett, Jr., founder of the International Herald Tribune.

That year, a quarter of a million spectators watched sixteen gas-filled balloons from 6 countries rise from the Tuileries Gardens in Paris. The object of the race: fly the farthest distance before landing.

The rules haven't changed over the years, and the departure of the 1990 Gordon Bennett International Balloon Race will also be spectacular: an illuminated night take-off from the alpine resort town of Lech am Arlberg — 1,500 meters above sea-level.

Thirteen balloons will participate, representing six countries: Austria, Germany, Poland, Switzerland, the United States and the Virgin Islands. The balloons will take off one by one starting at 8 p.m. on Saturday, September 1.

MARKET DIARY

Stocks Inch Higher In Light Trading

United Press International

NEW YORK — Stocks closed slightly higher Tuesday in very light trading, as the Dow Jones industrial average gained in the last few minutes of action on official statements concerning the Gulf crisis.

The Dow Jones industrial average, which soared 78.71 points Monday, its biggest gain of the year, rose 3.22 to close at 2,614.85.

Among broad market gauges, the New York Stock Exchange composite index added 0.08 to 176.26. The price of an average share edged up 1 cent. Standard & Poor's 500-stock index lost 0.10 to 321.34.

Advances led declines by about a 4-3 margin. Volume amounted to 127.7 million shares, compared with the 160 million on Monday.

In Tokyo, stocks closed higher Tuesday on continued momentum from the day before. Falling oil prices and a stronger yen also fueled morning advances, but persistent rumors of trouble in the Gulf capped gains in the afternoon.

The 225-share Nikkei average was up 569.00 points, or 2.26 percent, to 25,710.76 after gaining 976.00 on Monday.

In London, stocks rallied sharply Tuesday as the market reopened after a holiday Monday that kept traders from participating in the buying that prompted steep rises in other countries. Shares surged at the opening bell and held most of their gains throughout the session, although volume was low. The FTSE-100 index rose 39.7 points to close at 2,126.1.

Other European markets fell, succumbing to profit-taking after Monday's steep rises, based on hopes of a peaceful solution to the Gulf crisis and lower oil prices.

In Frankfurt, profit-taking knocked shares down sharply as operators took advantage of a lack in fresh Gulf news to reverse part of Monday's record 6 percent rise. The DAX 30-share index of leading West German shares ended 36.91 points lower at 1,617.89.

Share prices also dropped in Paris, as optimism about the situation in the Gulf that had been evident Monday on the Bourse evaporated. The CAC-40 index closed 19.14 points lower at 1,680.58.

N.Y. Stocks

Dollar Edges Higher In Technical Trading

Reuters

NEW YORK — The dollar rose against most European currencies on short covering Tuesday but fell against the yen, which was bolstered by a report of a possible rise in Japan's discount rate.

Activity was marked mainly by narrow range trading in New York, dealers said.

The yen surged earlier in Asia, dropping the dollar briefly below 143 yen for the first time since January.

The rise came amid a 2.3 percent rally by Tokyo stocks. Also, a JiJi News Service report said Bank of Japan officials will meet Wednesday to approve an increase in the discount rate to 6.0 percent from 5.25 percent currently.

The dollar closed at 143.77 yen, down from 144.25 yen Monday. It also closed at 1.5559 Deutsche marks, up from 1.5512 DM.

Gold continued to lose its luster as fears of Mideast fighting waned. The spot price of gold, which plunged $26.80 an ounce on Monday, fell a further $3.90 in New York to $383.85 an ounce.

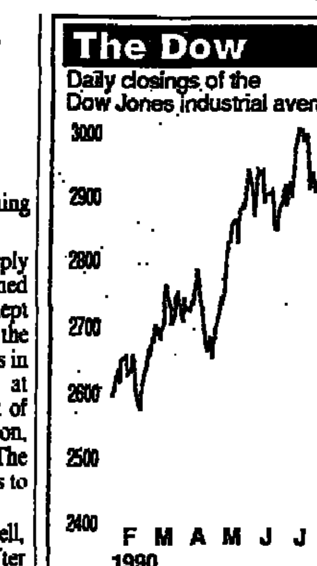
The dollar also rose to 1.2865 Swiss francs from 1.2745 francs Monday, and to 5.2170 French francs from 5.2025 francs.

The pound rose marginally to $1.9430 from $1.9425.

In London earlier, the dollar closed at 1.5540 DM, up from 1.5519 DM late Friday, and at 143.20 yen, down from 145.98 yen. Markets in London were closed Monday for a holiday.

Foreign Exchange

Via Associated Press Aug. 28



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
WalMt s	14095	29⅛	28½	28¾	— ⅛
PhilMr s	13987	45	44½	44⅝	— ⅛
LA Gr s	13066	16¼	14¼	15⅝	+1
Boeing s	11685	48½	47¾	48⅛	— ⅛
GnMotr	11319	40⅛	38⅞	40	+ ⅞
AT&T	11040	33	32⅝	32¾	—1
GenEl	10722	63½	63	63⅛	— ⅛
Exxon	10666	50⅛	49½	50⅛	+ ½
FdNM s	10449	31⅛	30⅞	30¾	+ ½
NoestUt	10197	18⅝	18¼	18⅝	+ ⅜
Waste s	9533	38¼	37	37⅛	— ¾
TexUtil	9001	34½	33⅞	34⅛	— ½
TovRU s	8062	26⅜	25½	25⅞	— ⅜
SouthCo	7995	23⅝	23⅜	23¼	— ¼
BrMySq	7910	60	59⅛	57½	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
EchoBy	4005	13¼	12⅝	13	+ ½
PW Nk pwt	3964	7½	6⅝	7⅛	+1⅛
ENSCO	3883	4⅛	3⅞	4	
SNk 93wt	2875	15⅝	15⅛	15½	+ ⅞
Dk Nk wt	2777	16⅝	16⅛	16⅝	+1⅛
EksNk wt	2768	7¾	6⅞	7¾	+1¼
BoirPh	2119	4⅛	4	4	— ⅛
Coran g	1965	5⅝	5⅜	5⅝	+ ¼
MoogmC	1870	5½	5¼	5⅝	
SNk 93wl	1658	16⅝	16⅛	16½	+1
AT&E	1607	10⅛	9¾	10	+ ⅜
Hilhav n	1532	1½	1⅛	1⅜	
JonBell	1522	9	8½	8⅞	+ ½
PegGld	1284	11⅝	10⅞	11⅛	— ⅛
PallCp	1265	29½	28⅝	28⅞	+ ⅜

NYSE Diary

Not available at press time

Amex Diary

Not available at press time

NASDAQ Diary

	Close	Prev.
Advanced	1,045	1,560
Declined	855	543
Unchanged	2,373	2,175
Total Issues	4,273	4,278

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2598.51	2629.95	2582.92	2614.85	+ 3.22
Trans	904.56	910.77	891.42	899.82	— 8.21
Util	194.35	195.30	192.91	193.40	— 0.82
Comp	908.29	908.83	892.62	901.45	— 2.18

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	382.02	379.45	381.58	+0.88
Transp.	231.35	228.85	229.60	—1.69
Utilities	127.90	126.19	126.19	—1.71
Finance	23.93	23.78	23.79	—0.14
SP 500	322.20	320.25	321.34	—0.10
SP 100	307.40	305.22	306.12	—0.36

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	176.56	175.79	176.26	+0.08
Industrials	221.28	220.14	221.28	+0.78
Transp.	140.45	139.45	139.76	—1.37
Utilities	82.85	82.16	82.16	—0.92
Finance	124.00	123.60	123.60	—0.33

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	382.86	+1.59	379.68	n.a.
Industrials	410.71	+2.25	401.91	—
Finance	382.07	+0.82	384.60	—
Insurance	446.09	+2.56	449.70	—
Utilities	505.00	+1.52	518.01	—
Banks	284.10	+0.73	286.07	—
Transp.	419.24	—2.30	422.57	—

AMEX Stock Index

High	Low	Close	Ch'ge
322.80	320.42	321.78	+1.05

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	89.30	—0.04
10 Utilities	89.96	+0.01
10 Industrials	88.65	—0.09

Market Sales

NYSE 4 p.m. volume	127,650,000
NYSE prev. cons. close	197,941,480
Amex 4 p.m. volume	10,280,000
Amex prev. cons. close	20,164,000
NASDAQ 4 p.m. volume	117,802,200
NASDAQ prev. 4 p.m. volume	129,401,400
NYSE volume up	57,275,320
NYSE volume down	53,889,120
Amex volume up	5,669,880
Amex volume down	2,291,280
NASDAQ volume up	51,866,164
NASDAQ volume down	36,304,807

Dividends

Company	Per	Amt	Pay	Rec
USUAL				
ECC International	Q	.05	10-19	9-21
First Am Fncl cl-A	Q	.10	10-15	9-28
First Am Fncl cl-B	Q	.10	10-15	9-28
First Mississippi	Q	.07½	10-25	9-10
Key Centurion	Q	.15	10-1	9-12
Piedmont Natl Gas	Q	.42	10-15	9-24
Petrie Stores Crp	Q	.05	10-15	10-1
Standard Product	Q	.23	10-22	10-8

A-Annual; M-Monthly; Q-Quarterly; S-Semi-Annual

Source: UPI.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.785	0.785
Coffee, lb	0.85	0.85
Copper electrolytic, lb	1.412	1.412
Iron FOB, ton	213.00	213.00
Lead, lb	0.50	0.50
Silver, troy oz	4.81	5.045
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	108.00	108.00
Tin, lb	3.8783	3.8614
Zinc, lb	0.7926	0.7926

Currency Options

PHILADELPHIA EXCHANGE Aug. 28

Option & Underlying	Strike Price	Calls—Last Sep	Oct	Dec	Puts—Last Sep	Oct	Dec
50,000 Australian Dollars-cents per unit.							
Dollr	79	r	r	r	r	0.27	r
83.08	81	r	r	r	0.25	r	1.20
83.08	83	r	r	1.47	r	r	r
83.08	84	0.50	r	r	r	r	r
83.08	85	0.22	r	0.90	r	r	
50,000 Australian Dollars-European Style.							
83.08	80	r	r	r	0.15	r	r
83.08	86	0.08	r	r	r	r	
31,250 British Pounds-cents per unit.							
Pound	165	29.50	r	r	r	r	r
194.78	197½	r	1.80	r	r	r	r
194.78	180	r	r	r	r	0.26	r
194.78	182½	r	r	r	0.86	r	r
194.78	185	9.95	r	r	r	0.71	2.30
194.78	187½	r	r	r	r	r	3.26
194.78	190	5.00	r	r	r	1.97	4.35
194.78	192½	r	3.84	r	r	r	r
194.78	195	1.80	r	r	r	r	
31,250 British Pounds-European Style.							
194.78	187½	r	r	r	0.27	r	r
194.78	200	0.40	r	r	r	r	
50,000 Canadian Dollars-cents per unit.							
Dollr	85	r	r	r	r	r	0.48
87.58	86	r	r	r	r	0.36	0.83
87.58	86½	r	r	r	r	0.51	r
87.58	87	r	r	r	0.38	0.60	1.30
87.58	87½	0.38	0.56	r	0.50	r	1.67
87.58	88	0.21	r	r	r	r	r
87.58	88½	0.12	0.20	r	r	1.68	
50,000 Canadian Dollars-European Style.							
Dollar	86½	r	r	r	0.20	r	r
87.58	87	r	r	r	0.27	r	r
87.58	88½	0.10	r	r	r	r	
62,500 West German Marks-cents per unit.							
Mark	59	r	r	r	r	r	0.20
64.43	61	r	r	r	r	0.15	0.54
64.43	62	r	r	r	r	0.30	0.71
64.43	63	1.60	r	r	0.24	0.56	r
64.43	63½	r	s	s	0.45	s	
64.43	64	0.90	1.30	1.88	r	0.93	1.44
64.43	64½	0.70	s	s	0.86	s	
64.43	65	r	0.91	1.34	r	r	r
64.43	65½	0.32	r	s	r	r	
64.43	66	r	0.55	1.03	r	r	r
64.43	67	0.09	r	r	r	r	r
64.43	68	r	0.17	r	r	r	
62,500 West German Marks-European Style.							
64.43	63	r	r	r	0.19	r	r
64.43	67	0.09	r	r	r	r	
250,000 French Francs-10ths of a cent per unit.							
Franc	18½	7.46	r	r	r	r	r
192.11	19	r	4.80	r	r	r	r
192.11	19½	r	3.42	r	r	r	
250,000 French Francs-European Style.							
192.11	18¾	r	r	r	0.52	r	r
192.11	19½	0.34	r	r	r	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	64	r	r	5.81	r	r	r
69.67	65	r	r	4.94	r	r	r
69.67	66	r	r	4.00	0.04	r	r
69.67	67	r	2.89	3.34	0.07	0.25	r
69.67	68	1.88	r	2.40	0.18	0.47	r
69.67	68½	r	s	s	0.28	s	
69.67	69	1.18	1.54	1.85	0.42	0.82	1.27
69.67	69½	0.78	s	s	r	s	
69.67	70	0.59	0.92	1.38	r	1.25	1.68
69.67	70½	0.49	s	s	r	s	
69.67	71	0.29	0.57	r	r	r	r
69.67	72	r	0.41	0.70	r	r	r
69.67	74	r	r	0.37	r	r	r
69.67	76	r	r	0.17	r	r	
622,500 Swiss Francs-cents per unit.							
Franc	72	r	r	r	r	r	0.36
77.99	74	r	r	r	0.08	0.30	r
77.99	76	r	r	r	r	0.74	r
77.99	76½	r	r	s	0.38	r	
77.99	77	r	r	r	0.55	r	r
77.99	77½	1.28	r	s	r	r	
77.99	78	0.99	1.50	2.14	r	1.57	r
77.99	78½	0.80	1.40	s	r	1.65	
77.99	79	0.62	r	1.65	r	r	2.47
77.99	80	0.30	0.86	1.38	r	r	r
77.99	80½	0.30	r	s	r	r	
77.99	81	0.17	0.69	1.14	r	r	r
77.99	82	0.10	r	r	r	r	
77.99	83	0.05	r	0.42	r	r	
622,500 Swiss Francs-European Style.							
77.99	69	r	r	8.80	r	r	r
77.99	72	r	r	6.10	r	r	0.37
77.99	78	r	r	2.09	r	r	

Total call vol. 23,874 336,913
Total put vol. 11,466 389,839
r—Not traded. s—No option offered.
Last is premium (purchase price).

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Aug. 27	544,318	429,990	5,452
Aug. 24	507,562	731,953	36,179
Aug. 23	495,828	865,245	58,360
Aug. 22	417,707	608,424	30,311
Aug. 21	459,724	661,993	64,682

*Included in the sales figures

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Oct	258.40	258.60	259.00	255.00	262.00	262.60
Dec	251.00	257.80	255.00	250.00	253.20	265.00
Mar	249.00	249.20	250.00	248.00	252.60	253.00
May	249.00	249.40	250.00	248.00	251.80	252.00
Aug	251.60	252.00	251.00	248.60	252.00	254.00
Oct	251.40	252.00	251.00	251.00	248.00	253.00
Dec	232.60	252.00	240.00	240.00	235.00	248.00
Volume: 1,140 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Sep	691	692	728	691	725	727
Dec	736	737	769	732	762	764
Mar	765	766	791	764	794	795
May	783	785	811	785	811	813
Jul	805	806	828	805	827	833
Sep	822	826	835	832	842	850
Dec	848	850	863	850	860	870
Volume: 8,479 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Sep	571	572	579	570	578	580
Nov	596	597	603	595	606	607
Jan	616	617	624	614	622	623
Mar	624	625	631	623	629	630
May	639	641	647	642	640	641
Jul	654	659	665	662	655	658
Sep	678	684	681	681	679	682
Volume: 5,093 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Sep	241.25	241.75	248.00	234.00	281.00	281.50
Oct	N.A.	242.25	247.50	233.50	281.00	282.00
Nov	N.A.	243.25	246.00	234.50	N.A.	279.50
Dec	242.00	N.A.	245.00	233.50	279.00	N.A.
Jan	N.A.	237.00	239.00	226.00	N.A.	274.00
Feb	238.00	N.A.	233.50	217.50	260.00	261.00
Mar	216.00	217.00	220.00	200.00	242.50	N.A.
Apr	209.00	N.A.	218.00	209.00	238.00	N.A.
May	206.50	215.50	215.00	215.00	235.00	N.A.
Volume: 13,317 lots of 100 tons.						

	High	Low	Close Bid	Ask	Ch'ge
PARIS SUGAR French francs per metric ton					
Oct	1,700	1,680	1,680	1,682	—37
Dec	N.T.	N.T.	1,650	1,653	—52
Mar	1,690	1,685	1,670	1,690	—31
May	1,690	1,685	1,675	1,695	—36
Aug	N.T.	N.T.	1,700	1,720	—25
Oct	N.T.	N.T.	1,665	1,850	—25

Est. vol.: 488 lots of 50 tons. Prev. actual sales: 161 lots. Open interest: 16,273.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1803.00	1805.00	1795.00	1798.00
Forward	1822.00	1823.00	1812.00	1813.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1532.00	1534.00	1525.00	1527.00
Forward	1501.00	1502.00	1495.00	1496.00
LEAD Sterling per metric ton				
Spot	449.00	451.00	455.00	457.00
Forward	456½	457.00	461.00	461½
NICKEL Dollars per metric ton				
Spot	10875.00	10925.00	10600.00	10650.00
Forward	10725.00	10750.00	10400.00	10450.00
TIN Dollars per metric ton				
Spot	5965.00	5975.00	5930.00	5930.00
Forward	6085.00	6090.00	6050.00	6060.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1658.00	1665.00	1635.00	1640.00
Forward	1542.00	1545.00	1538.00	1540.00

S&P 100 Index Options

Aug. 28

Strike Price	Calls-Last Sep	Oct	Nov	Dec	Puts-Last Sep	Oct	Nov	Dec
270	—	—	—	—	1½	3½	5¼	6⅝
280	38¼	37¾	—	—	2⅛	4⅜	7	9
285	24½	25¾	—	—	2⅞	5⅜	7⅞	—
290	20⅝	23½	—	—	3½	6⅛	9	11½
295	16¼	20⅛	—	—	4½	7⅞	10⅝	—
300	12⅝	16⅞	—	22	5⅝	9⅞	12	14
305	9¼	13½	16	—	7⅛	10⅝	13½	—
310	6	10⅝	13	15¾	9⅛	13⅝	15⅝	18
315	3⅝	7⅞	10⅝	—	12¼	15	18½	—
320	2⅜	5⅝	7⅝	10⅝	15⅝	18	21	22
325	1⅜	3⅞	5⅝	—	20	21⅝	24	—
330	⅝	2⅜	4	6⅝	24	26	27	—
335	⅜	1½	2⅝	—	30	31⅝	31	—
340	⅛	⅞	2	—	35	34	36¼	—
345	⅛	½	1⅝	—	40	40	—	—
350	⅛	⅜	⅞	1⅝	44¾	45	—	—
355	⅛	⅛	—	—	50	—	—	—
360	—	⅛	⅛	—	—	—	—	—
365	—	⅛	—	—	—	—	—	—

Calls: total vol. 104,198; total open int. 425,427
Puts: total vol. 91,757; total open int. 404,384

Source: CBOE.

U.S./AT THE CLOSE

UAW Picks General Motors as Target For Opening Its Talks on Contracts

DETROIT (AP) — The United Auto Workers union on Tuesday picked General Motors Corp., the biggest of the Big Three automakers, as its target company in contract negotiations covering 450,000 active hourly auto workers.

Talks at Ford Motor Co. and Chrysler Corp. will be put on hold while the UAW tries to work out a three-year agreement with GM, which employs 300,000 of the active hourly workers affected by the three national contracts. The agreement would then be used as a pattern for talks at the other two.

The target was picked with only about two weeks to go before national contracts between the union and Big Three expire.

The contracts cover issues common to all unionized autoworkers, such as wages and benefits. Local contracts, many of which are being negotiated now, cover issues such as local work rules and seniority rights.

U.S. Quarterly Trade Deficit Narrows

WASHINGTON (AP) — The U.S. trade deficit narrowed dramatically to $22.58 billion from April through June, the lowest quarterly imbalance in more than six years, the government reported Tuesday.

But analysts noted that the deficit had been pushed lower primarily by falling oil prices, a situation which has been reversed by the Aug. 2 invasion of Kuwait by Iraq.

The Commerce Department said there had been a 14.1 percent improvement from a first quarter deficit of $26.28 billion. For the second quarter, U.S. exports totaled an all-time high of $96.74 billion, up 0.5 percent from the previous record of $96.26 billion set in the first quarter.

Group Increases USAir Investment

WASHINGTON (AP) — An investor group including the New York money manager Michael H. Steinhardt announced Tuesday that it had increased its stake in USAir Group Inc., the parent of USAir, to 9.46 percent.

In a filing with the Securities and Exchange Commission, the investors said that between June 26 and last Friday it had purchased more than 400,000 shares of common stock at prices ranging from $14.07 to $25.8[illegible].

Cummins Cutback Reduces Shifts

COLUMBUS, Indiana (Reuters) — Cummins Engine Co. said Tuesday a reduction in demand for North American heavy duty truck engines experienced during its 1990 second quarter has accelerated because of the economic uncertainty and recent developments in the Middle East.

In response to a substantial change in order rates, Cummins said it will reduce engine assembly to one shift at its headquarters facility here.

The company recently took other measures to reduce costs, including voluntary layoffs and Columbus plant shutdowns on July 20 and Aug. 10.

Resorts International Plan Approved

ATLANTIC CITY, New Jersey (Reuters) — Resorts International Inc. said Tuesday that the U.S. Bankruptcy Court had approved its plan of reorganization under Chapter 11 of the U.S. Bankruptcy Act.

Resorts said it expected the plan to become effective in mid-September and that initial distribution of securities according to the plan would be made in September.

Hormel Shuffles Its Business Units

AUSTIN, Minnesota (Reuters) — Geo. A. Hormel & Co. said Tuesday it had reorganized its food service, frozen foods and international sales businesses into two new business groups to enhance their growth potential.

The International, Frozen Foods and Planning & Development Group will be headed by David Dickson, Hormel's senior vice president of planning and corporate development. James Cole, director of the Food service division, was named as head of the Foodservice Group.

ECONOMY: *Surveys Chart Worst Plunge in U.S. Confidence Since 1987*

(Continued from first finance page)

and you have a number of states as well as the federal government grappling with budget problems," said Jason Bram, an economist with the Conference Board. "And there's the possibility of higher taxes."

The rapid escalation in oil prices is particularly alarming to consumers because it immediately affects daily living expenses like gasoline and heating prices. Increased costs cut into the amount of money left over to spend on big-ticket items like refrigerators or automobiles.

Although consumer confidence plunged after the stock market collapse in October 1987, it rebounded somewhat because buyers believed the underlying economy was strong.

The current economic climate is much different, according to some analysts. Today, said Steven Einhorn of Goldman Sachs & Co. in New York, fears of underlying weakness in the economy have grown for weeks, thanks to "uninspiring profits, sticky interest rates, stubborn inflation, a slowly growing economy and a tortuous budget."

With all that threatening to sour the outlook, he said, "consumer confidence now becomes the key to whether the U.S. economy will enter a recession."

So far, the consumer confidence surveys don't suggest that consumer pessimism will cause too abrupt of a reduction in buying.

Among people surveyed by the Conference Board, 7.5 percent said they plan to buy a car within the next six months, down from 8.8 percent in July. Fewer people said they would buy a house — 3.1 percent compared with 4.3 percent in July.

"Business is soft," said Neil Sanders, manager of the Reliable Home Appliances store in downtown Washington. "But if they keep talking about it enough, consumers will buy the idea of a slowdown. If you say the sky is falling enough, it will."

WORLD STOCK MARKETS

Agence France Presse Aug. 28

Amsterdam

	Close	Prev.
ABN Bank	34.20	34.40
ACF Holding	33.50	32.50
Aegon	117.50	115.60
Ahold	124.50	125
Akzo	94.40	94.50
AMEV	50.30	51.50
A'Dam Rubber	4.85	4.70
Amro Bank	69.40	69
Bols	176.50	175.80
Buhrmann Tett	61	60.20
BVG	N.Q.	—
Center Parcs	65	64.70
CSM	80.10	81.30
DAF	24.90	25.20
DSM	96.40	98.20
Elsevier	84.70	85.40
Fokker	43.90	43.50
Gist-Brocades	26.10	27.70
Heineken	118.70	118
Hoogovens	62.20	62.10
Hunter Douglas	64	64.30
IHC Caland	54.50	53.70
Inter Mueller	59.70	59.70
KLM	24.50	23.90
KNP	43	41.80
Nat Neder	58.90	58.80
Nedlloyd	52.50	52.70
NMB Postbank	43.30	43.70
Oce Grinten	45	45.50
Pakhoed	191	193.60
Philips	24.80	25.20
Robeco	89.70	90.80
Rodamco	74.50	74.70
Rolinco	87.20	87.20
Rorento	59	58.90
Royal Dutch	139.90	139
Unilever	142.30	142.10
Van Ommeren	37.70	38.60
VMF Stork	49	48.60
VNU	86.70	87
Wessanen	60	59.90
Wolters/Kluwer	47.20	47.10

CBS Gen'l trend index : 102.50
Previous : 102.70

Brussels

	Close	Prev.
AG Fin	8400	8800
Arbed	4170	4300
Barco	1820	1850
Bekaert	10400	11000
Cockerill	161	N.Q.
Cobepa	5150	5100
Delhaize	5930	6000
EBES	3920	N.Q.
GB-Inno-BM	1328	N.Q.
GBL	N.Q.	N.Q.
Gevaert	7750	7880
Hoboken	16000	N.Q.
Intercom	191.25	189
Kredietbank	3550	N.Q.
Petrofina	10650	10950
Royal Belge	4900	5070
Soc Gen Banque	4500	4400
Soc Gen Belgique	2775	2830
Sofina	11525	11800
Solvay	11300	11500
Tractebel	3870	3760
UCB	21900	21700
Unerg Ps	2150	N.Q.

Current Stock index : 5631.73
Previous : 5635.12

Frankfurt

	Close	Prev.
AEG	251.50	255
Allianz Hold	2575	2618
Altana	485	497
Asko	884.60	890
BASF	243	252.50
Bayer	246	251
Bay. Hypo bank	359	366.50
Bay Vereinsbk	375	386.50
BBC	800	790
BHF Bank	402	405
BMW	479	488
Commerzbank	259.30	268
Continental	300	301
Daimler Benz	686	717
Degussa	362	368
Dt Babcock	163.50	170.50
Deutsche Bank	680	693
Douglas	788	782
Dresdner Bank	404	413
Feldmuehle	504	509
Harpener	463	472
Henkel	608	609
Hochtief	1160	1230
Hoechst	239.50	245
Hoesch	260.50	272
Holzmann	1310	1330
Horten	227	226
IWKA	303	308
Kali Salz	187.50	198
Karstadt	664	666
Kaufhof	572.50	580
KHD	231	228
Kloeckner Werke	150	160
Krupp Stahl	270	275
Linde	870	875
Lufthansa	131.50	129.90
MAN	359	364
Mannesmann	277.50	283.80
Metallgesell	567	564
Muench Rueck	2420	2370
Nixdorf	304.50	307.80
PKI	519.50	517
Porsche	925	925
Preussag	319.80	321.50
PWA	246	245.50
RWE	403	418
Rheinmetall	335	337
Schering	667.50	685
SEL	358	348.50
Siemens	618.40	631
Thyssen	236.50	240
Varta	315	328
Veba	351.50	359.50
VEW	218	214
Viag	339	342.50
Volkswagen	478.60	486
Wella	700.50	690

DAX index : 1617.89
Previous : 1654.80
FAZ index : 609.60
Previous : 623.27

Helsinki

	Close	Prev.
Amer A	105	108
Enso-Gutzeit	25	25.50
K.O.P.	36	36
Kymmene	75.50	74
Nokia	77	74
Pohjola	136	147
Stockmann	180	180
United Papers	146	145
Wartsila	370	370

Unitas index : 528.50
Previous : 519.20

Hong Kong

	Close	Prev.
Bk East Asia	13.90	13.30
Cathay Pacific	8.45	8.05
Cavendish Int'l	3.68	3.53
Cheung Kong	11.90	11.10
China Light Pwr	13.90	13.20
Dairy Farm Int'l	9.35	9
Hang Lung Dev	5.20	4.83
Hang Seng Bank	20.30	19.40
Henderson Land	8.20	7.75
HK Air Eng.	17.30	15.70
HK China Gas	10.80	10.30
HK Electric	8.85	8.75
HK Land	7.75	7.30
HK Realty Trust	4.58	4.40
HK Shang Bank	5.65	5.35
HK Shang Htls	4.05	3.90
HK Telecomm	6.05	5.85
HK Ferry	4	3.90
Hutch Whampoa	11.10	10.20
Hysan Dev	1.16	1.10
Jardine Math.	31.50	29.60
Jardine Str Hld	16	14.70
Kowloon Motor	5.90	5.75
Mandarin Orient	5	4.75
Miramar Hotel	5.55	5.40
New World Dev	9.70	9.15
SHK Props	13.90	13.10
Stelux	2.20	2.93
Swire Pac A	17.60	16.20
Tai Cheung Prps	3.60	3.40
TVE	1.01	0.98
Wharf Hold	8.25	7.80
Wing On Co	6.20	5.85
Winsor Ind.	7.90	7.55
World Int'l	4.20	3.98

Hang Seng index : 3078.94
Previous : 2918.01

Johannesburg

	Close	Prev.
AECI	14	14
Altech	66.50	66.50
Anglo Amer	106.50	107
Barlows	34.25	33.25
Blyvoor	14.25	16
Buffels	58	66
GFSA	71.50	76
Harmony	35	36
Highveld Steel	12	11.75
Kloof	36.75	36.75
Nedbank Grp	10.75	10.50
Rusplat	72	72.50
SA Brews	39.50	37.75
St Helena	38	43
Sasol	14.20	14.30
Welkom	27	27
Western Deep	140	146.50

Composite Stock index : 2905
Previous : 2981

London

	Close	Prev.
Allied Lyons	4.48	4.56
Anglo Am Gld	43.94	N.Q.
AA Corp	13.94	N.Q.
Asda-MFI Gp	1.13	1.11
Ass Brit Foods	4.10	4.07
Barclays	3.52	3.44
Bass	10.45	10.32
B.A.T.	5.37	5.30
Blue Circle	2.03	1.99
BOC Group	4.90	4.75
Boots	2.92	2.87
Bowater	4.85	4.80
BAe	5.19	5.07
BAA	3.90	3.88
Brit Airways	1.68	1.60
British Gas	2.09	2.08
BP	3.48	3.52
British Steel	1.24	1.23
Brit Telecom	2.77	2.77
BTR	3.64	3.53
Burmah Oil	5.35	5.30
Cable Wire	4.48	4.32
Cadbury Sch	3.17	3.08
Charter Cons	3.97	3.95
Comm Union	4.55	4.51
Cookson	1.36	1.39
Courtaulds	3.07	2.96
Dalgety	3.40	3.39
De Beers	N.Q.	—
Dixons	1.38	1.34
Driefontein	6.16	N.Q.
Eurotunnel	4.63	4.25
Fisons	3.48	3.38
Gen Acc F	4.70	4.78
GEC	1.87	1.87
GKN	3.32	3.28
Glaxo	7.26	6.90
Grand Met	5.58	5.40
GI Univ Stores	13.63	13.63
GRE	2	2.01
Guinness	6.70	6.50
Hanson Tr	2.04	1.96
Hawker Sidd	4.70	4.73
ICI	8.98	8.96
Kingfisher	3.30	3.27
Land Sec	4.84	4.80
Legal Gen Grp	2.78	2.62
Lloyds Bank	2.37	2.77
Lonrho	2.44	2.35
Lucas Ind	1.35	1.29
Marks Sp	2.29	2.22
Maxwell	1.69	1.66
MB Group	1.80	1.73
Midland Bk	2.58	2.49
NatWest	2.83	2.78
Pearson Grp	6.98	6.80
P and O	5.52	5.26
Pilkington	1.69	1.64
Prudential	2.07	2.06
Racal Elec	1.61	1.56
Randfontein	2.56	3.10
Rank Org	6.33	6.27
Reed Intl	3.85	3.85
Reuters	8.70	8.27
Rolls Royce	1.80	1.76
Royal Dutch	40.94	N.Q.
RTZ	4.77	4.57
Saatchi	0.60	0.53
Sainsbury	3	2.91
Sears Holds	0.93	0.88
Shell	4.60	4.58
Skbeec	5.04	4.88
STC	2.40	2.41
Std Chart Bk	3.66	3.65
Storehouse	1.26	1.24
Sun Alliance	3	2.93
Tate and Lyle	2.55	2.52
Tesco	2.24	2.21
Thorn EMI	6.52	6.50
T.I. Group	4.35	4.28
Trafalgar Hse	2.25	2.08
THF	2.53	2.50
Ultramar	3.40	3.38
Unilever	6.35	6.22
Utd Biscuits	3.19	3.16
Vickers	2.23	2.16
War Loan 3½	31.19	31
Wellcome	4.35	4.25
Woolworth	13.56	12.75

F.T. 30 index : 1658.80
Previous : 1622.60
F.T.S.E. 100 index : 2126.10
Previous : 2086.40

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3040	2980
Banco Central	4860	4850
Bco. Santander	4380	4140
Banesto	3800	3630
CEPSA	1985	2030
Dragados	2470	2470
Iberduero	600	607
Telefonica	835	844

S.E. General index : 255.76
Previous : 251.46

Milan

	Close	Prev.
Banca Comm	5287	5280
Bastogi	278	275.50
Cigahotels	4483	4388
CIR	3810	3800
Cred Ital	2640	2640
Enimont	1162	1150
Eridania	8725	8470
Ferruzzi Fin.	2370	2361
Ferruzzi Agr.	2075	2045
Fiat SPA	6940	6950
Generali	38300	38450
IFI	18450	18750
Italcem	21825	21400
Italgas	2840	2836
Italmobiliare	2040a	2002a
Mediobanca	16950	16825
Montedison	1440	1447
Olivetti	4680	4720
Pirelli	1890	1900
RAS	22300	21900
Rinascente	6974	7000
Saipem	2387	2360
SIP	1420	1390
SME	4000	3981
Snia	1789	1790
Standa	28400	28250
Stet	2310	2280
Toro Assi Risp	23000	22940

a: x 100.
MIB current index : 906.30
Previous : 889.00

Montreal

	Close	Prev.
Alcan Aluminum	24½	24¾
Bank Montreal	25¼	25⅛
Bell Canada	36⅛	36⅛
Bombardier A	N.Q.	17¾
Bombardier B	17⅞	18
Cambior	14	13¾
Cascades	N.Q.	3.60
Dominion Text A	10	9¾
Donohue	N.Q.	—
MacMillan Bl	16¾	17
Memotec	8⅛	8½
Natl Bk Canada	9	9⅛
Noverco	N.Q.	—
Power Corp.	14⅝	14⅝
Provigo	8⅝	8⅝
Quebec Tel	14¼	14½
Quebecor A	N.Q.	—
Quebecor B	10⅛	10⅛
Videotron	9¼	9⅞

Industrials index : 1464.36
Previous : 1477.35

Paris

	Close	Prev.
Accor	842	825
Air Liquide	693	693
Avions Dassault	515	516
Bancaire (Cie)	440	450
BIC	580	540
Bongrain	2950	2950
Bouygues	498	500
BSN-GD	812	813
Carrefour	3350	3372
Cerus	239	239.50
C.G.E.	537	538
Chargeurs	816	839
Club Med	469	460
Dumez	666	672
Elf-Aquitaine	654	663
Europe 1	1049	1039
Gen. Eaux	2295	2300
Hachette	235	235
Havas	532	540
Imetal	286.50	294
Lafarge Coppee	378	385.50
Legrand	3876	3860
Oreal (L')	492.90	500
L.V.M.H.	3380	3375
Matra	283	278
Merlin Gerin	539	558
Michelin B	79	81
Moulinex	90	89
Occidentale	607	616
Paribas	474.50	475
Pernod-Ricard	1069	1061
Perrier	1340	1340
Peugeot	597	606
Printemps (Au)	564	548
Radiotechnique	505	480
Raff. St. Louis	1185	1185
Redoute (La)	2800	2800
Roussel Uclaf	2010	2070
Saint Gobain	418	436
Sanofi	850	882
S.E.B.	1170	1175
Skis Rossignol	994	990
Ste Generale A	461.20	465
Suez	345	351
Telemecanique	4545	4545
Thomson-CSF	92.50	94.40
Total	660	675
Valeo	409	405.10

CAC 40 index : 1680.58
Previous : 1699.72

Sao Paulo

	Close	Prev.
Banco do Brasil	19.10	19.90
Bradesco	1.68	1.78
Brahma	7.20	6.80
Paranapanema	1.52	1.59
Petrobras	167	178
Vale Rio Doce	35.80	37.70
Varig	17.50	N.A.

Bovespa index : 27166
Previous : 27842

Singapore

	Close	Prev.
City Dev.	3.02	3
DBS	10	9.90
Fraser Neave	7.45	7.30
Genting	10.10	11
Harrisons Plant	1.35	1.28
Haw Par	2.29	2.30
Hume	3.70	3.44
Inchcape	4.32	4.16
Keppel	5.80	6
KL Kepong	2.50	2.43
Lum Chang	1.10	1.09
Malayan Banka	8.15	7.75
OCBC	7.80	7.70
OUB	4.36	4.20
OUE	6.65	6.40
Sembawang	5.40	5.20
Shangrila	6.85	6.75
Sime Darby	2.69	2.60
SIA	10.90	10.50
S'pore Land	12.10	12.50
S'pore Press	8.95	8.80
Sing Steamship	3.02	2.88
Straits Trading	2.46	2.42
UOB	5.45	5.45
United Overseas	1.61	1.53

Straits Times ind. : 1217.41
Previous : 1198.23

Stockholm

	Close	Prev.
AGA	300	300
Alfa Laval	230	225
Asea	675	680
Astra -A	488	492
Atlas Copco	N.Q.	—
Electrolux B	185	192
Ericsson	1145	1145
Esselte-A	220	220
Handelsbanken	126	122
Pharmacia-A	223	223
Norsk Hydro	221.50	226
Saab-Scania	275	265
Sandvik	284	290
SCA-A	118	115
S-E. Banken	79	78
Skandia F	169	174
Skanska	435	420
SKF	121	124
Stora	300	290
Trelleborg B	150	147
Volvo	315	315

Affaersvaerlden : 1118.80
Previous : 1118.50

Sydney

	Close	Prev.
ANZ	4.68	4.58
BHP	11.05	11.05
Bond	N.Q.	—
Boral	3.30	3.20
Bougainville	1.20	1.23
Coles Myer	7.44	7.34
Comalco	4	3.90
CRA	10.70	10.65
CSR	4.85	4.75
Dunlop	4.89	4.76
Elders IXL	1.48	1.47
ICI Australia	4.15	4.10
Magellan	1.88	1.92
MIM	2.23	2.21
Nat Aust Bank	6.68	6.58
News Corp	11	10.45
N Broken Hill	2.14	2.12
Poseidon	2.10	2.30
QCT Resources	1.28	1.33
Santos	5.02	5.10
TNT	1.97	1.88
Western Mining	5.08	5.10
Westpac Banking	4.75	4.67
Woodside	3.08	3.20

All ordinaries index : 1491.80
Previous : 1477.90

Tokyo

	Close	Prev.
Akai Electr	659	620
Asahi Chemical	770	750
Asahi Glass	1400	1340
Bank of Tokyo	1190	1200
Bridgestone	1250	1210
Canon	1730	1740
Casio	1270	1200
C. Itoh	705	692
Dai Nippon Print	1610	1590
Daiwa House	2080	2050
Daiwa Securities	1110	1070
Fanuc	6000	5650
Fuji Bank	2310	2400
Fuji Photo	4060	4020
Fujitsu	1300	1270
Hitachi	1390	1380
Hitachi Cable	930	905
Honda	1560	1550
Ito Yokado	3550	3300
Japan Air Lines	N.A.	—
Kajima	1500	1450
Kansai Power	2770	2750
Kawasaki Steel	497	490
Kirin Brewery	1530	1490
Komatsu	1060	1020
Kubota	707	690
Kyocera	7700	7600
Matsu Elec Inds	1850	1840
Matsu Elec Wks	1750	1710
Mitsubishi Bk	1910	1900
Mitsubishi Kasei	555	555
Mitsubishi Elec	875	849
Mitsubishi Hev	840	814
Mitsubishi Corp	1300	1300
Mitsui and Co	720	705
Mitsukoshi	1360	1310
Mitsumi	2020	1920
NEC	1800	1780
NGK Insulators	1140	1170
Nikko Securities	950	927
Nippon Kogaku	1330	1320
Nippon Oil	1070	1060
Nippon Steel	513	517
Nippon Yusen	633	640
Nissan	900	890
Nomura Sec	1790	1770
NTT (SF)	8244	7985
Olympus Optical	1320	1300
Pioneer	5320	5200
Ricoh	895	880
Sanyo Elec	730	727
Sharp	1460	1450
Shimazu	915	887
Shinetsu Chem	1420	1370
Sony	7550	7360
Sumitomo Bk	1960	1920
Sumitomo Chem	518	510
Sumi Marine	835	835
Sumitomo Metal	492	499
Taisei Corp	1090	1033
Taisho Marine	818	805
Takeda Chem	1440	1320
TDK	6200	6060
Teijin	590	585
Tokyo Marine	1170	1160
Tokyo Elec Pw	3490	3480
Toppan Printing	1470	1450
Toray Ind.	670	660
Toshiba	997	973
Toyota	2030	2040
Yamaichi Sec	951	970

Nikkei 225 : 25711
Previous : 25142
Topix index : 1948
Previous : 1985

Toronto

	Close	Prev.
Abitibi Price	15⅝	15⅝
Agnico Eagle	7⅛	8
Air Canada	8⅝	8⅞
Alberta Energy	18⅛	18½
Am Barrick Res	24½	23¾
BCE	36⅞	36⅝
BCED	0¼	0.23
Bk Nova Scotia	13⅝	13¾
BC Gas	15	15
BC Phone	17½	17⅝
BP Canada	19½	19⅝
Bramalea	9½	9⅝
Brunswick	N.Q.	9½
CAE	6¼	6⅝
Campeau	1.46	1.42
CIBC	24½	24⅝
Canadian Pacific	18⅝	18⅝
Can Packers	9⅝	9⅝
Can Tire A	20⅞	20½
Cantor	23⅛	23⅛
Cara	16	N.Q.
CCL Ind B	8⅞	9⅛
Cineplex	3.30	2.85
Cominco	23⅝	24
Conwest Expl A	N.Q.	—
Corona A	6⅛	6¼
Denison Min B	1.18	1¼
Dickenson Min A	4.85	N.Q.
Dofasco	21⅛	21¼
Dylex A	4.15	4.05
Echo Bay Mines	15	14⅝
Equity Silver A	1.40	1.36
FCA Intl	10½	N.Q.
Fed Ind A	10⅛	11½
Fletcher Chall A	15⅛	15¼
FPI	N.Q.	4⅞
GoldCorp	4.60	4.45
Gulf Cda Res	15⅝	15⅞
Hees Intl	19⅞	20⅛
Hemlo Gld Mines	13	12⅝
Hollinger	12¼	12⅝
Horsham	10⅛	9⅞
Hudson Bay	N.Q.	5½
Imasco	35½	35½
Inco	32⅛	32⅞
Interhome	48½	48½
Jannock	14⅞	15
Labatt	21⅞	22¼
Loblaw Co	16⅛	16⅞
Mackenzie	7⅛	7⅛
Magna Intl A	3.20	3.10
Maritime	16⅝	16¾
Mark Res	11⅛	11½
MacLean Hunt X	8⅝	8⅝
Molson A	31⅛	31⅛
Noma Ind A	5⅛	5⅝
Noranda	18	18⅛
Noranda Forest	9⅞	9⅝
Norcen Energy	27½	27½
Nova Corp	7½	7⅝
Oshawa	30½	30⅛
Pagurin A	7⅛	7⅝
Placer Dome	20⅛	20
Poco Petroleum	8	8⅛
PWA Corp	9⅛	9⅝
Quebec Sturgeon	N.Q.	0.80
Rayrock	9	9
Renaissance	14⅜	14⅜
Rogers B	6⅛	6⅞
Rothmans	N.Q.	60
Royal Bank Can	21⅞	22
Royal TrustCo	12⅛	12⅜
Sceptre Res	4⅛	4⅛
Scott's Hosp	13⅝	13⅞
Seagram	88⅝	88½
Sears Can	11	10⅝
Shell Can	48	39⅝
Sherritt Gordon	7½	N.Q.
SHL Systemhse	6⅛	6⅞
Southam	21	21
Spar Aerospace	9⅝	9⅝
Steico A	16	16½
Teck B	25½	25⅝
Thomson News	14⅝	14⅝
Toronto Domn	17	17⅝
Torstar B	24⅛	24½
Transalta Util	12	12⅛
TransCda Pipe	17	17⅞
Trilon Finl A	17	17
Trimac	7½	7½
Trizec A	N.Q.	16⅝
Turbo Resources	0.40	0.41
Unicorp A	1¼	N.Q.
Woodward's Ltd	1¼	1.20

TSE 300 Index : 3354.90
Previous : 3353.60

Zurich

	Close	Prev.
Adia Intl	1095	1135
Alusuisse	1145	1185
Bank Leu	2350	2200
Brown Boveri	5040	5160
Ciba Geigy	2560	2600
CS Holding	2000	2040
Elektrow	3130	3210
Fischer	1610	1670
Interdiscount	3560	3600
Jacobs Suchard	8390	8390
Jelmoli	1880	1880
Landis Gyr	1300	1310
Moevenpick	5300	5380
Nestle	7520	7720
Oerlikon-B	835	840
Pargesa Hld	1150	1200
Roche Holding B	3530	3460
Sandoz	1800	1870
Schindler	6450	6600
Sulzer	580	600
Surveillance	5225	5300
Swissair	740	750
SBC	299	301
Swiss Reinsur	538	547
Swiss Volksbank	1270	1300
Union Bank	3060	3100
Winterthur	3670	3800
Zurich Ins	1900	1940

SBS Index : 573.20
Previous : 581.50

U.S. FUTURES

Via Associated Press Aug. 28

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.73	2.77¾	Sep	2.81	2.81½	2.77½	2.79¾	—.01¾
3.80	2.91¼	Dec	2.96½	2.96½	2.92½	2.95¼	—.01¼
3.85	3.01¼	Mar	3.05½	3.06¾	3.03¾	3.04¾	—.00¾
3.73	3.05	May	3.10½	3.12	3.09	3.12	+.00½
3.63	3.05	Jul	3.14	3.16½	3.13	3.16½	+.01½
3.26	3.10	Sep	3.20	3.20	3.20	3.20	
Est. Sales		Prev. Sales 10,872					
Prev. Day Open Int. 59,447 off 497							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.97	2.29	Sep	2.52¼	2.54	2.51	2.53¾	+.01¾
2.96½	2.22	Dec	2.43½	2.45	2.42	2.43¾	—.01
3.02½	2.41	Mar	2.52	2.53¾	2.50¼	2.51¾	—.00½
3.06½	2.49¾	May	2.57½	2.59¼	2.57	2.58½	—.01¼
3.08¼	2.59¾	Jul	2.61¾	2.63½	2.61	2.62½	—.00¼
2.87½	2.55¼	Sep	2.58	2.58¼	2.57½	2.57½	—.00½
2.75	2.52½	Dec	2.56	2.58	2.55¾	2.57½	—.00½
Est. Sales		Prev. Sales 38,149					
Prev. Day Open Int.206,693 up 143							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.76	5.68	Sep	6.18½	6.20¾	6.14¼	6.19¼	+.00¾
6.82	5.64½	Nov	6.31¾	6.35½	6.28½	6.34½	+.01
6.92	5.87	Jan	6.47	6.48¾	6.42	6.48½	+.00¾
7.03	5.65½	Mar	6.60½	6.62	6.56	6.60½	—.00½
7.11	6.14½	May	6.66½	6.70	6.64	6.69¾	+.01
7.18	6.25	Jul	6.73	6.76	6.70½	6.75¼	+.01¼
6.95	6.28	Aug	6.66½	6.68	6.65	6.67	—.02
6.54	6.29	Sep	6.48	6.49	6.46	6.46	—.03
6.74	6.12½	Nov	6.35	6.37	6.32½	6.33¾	—.01½
Est. Sales		Prev. Sales 33,102					
Prev. Day Open Int. 97,036 off 558							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
200.00	166.80	Sep	179.40	180.70	177.70	180.40	+.50
200.00	168.00	Oct	181.10	182.70	179.80	182.40	+.60
205.50	170.50	Dec	185.00	187.00	183.50	186.60	+.80
204.00	171.50	Jan	186.80	188.50	185.20	188.30	+1.30
212.80	174.50	Mar	189.00	191.50	188.00	191.50	+1.00
208.00	175.80	May	191.00	192.70	189.50	192.70	+1.00
209.00	177.50	Jul	191.50	193.50	191.50	193.80	+.90
192.50	176.50	Aug	191.20	192.50	190.50	192.50	+.20
191.00	175.50	Sep	190.50	192.00	190.00	192.00	+.50
Est. Sales		Prev. Sales 14,621					
Prev. Day Open Int. 60,703 off 1,423							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.62	19.50	Sep	24.38	24.50	24.09	24.32	—.04
25.56	19.65	Oct	24.37	24.49	24.05	24.27	—.07
25.55	19.75	Dec	24.58	24.70	24.10	24.32	—.20
25.55	19.81	Jan	24.65	24.75	24.30	24.40	—.24
25.61	19.82	Mar	24.78	24.80	24.40	24.50	—.30
25.55	20.15	May	24.90	25.00	24.60	24.65	—.17
25.60	21.05	Jul	25.00	25.09	24.70	24.77	—.23
25.50	24.35	Aug	24.98	24.90	24.40	24.68	—.05
25.10	23.85	Sep	24.60	24.60	24.40	24.40	—.05
24.90	24.30	Oct				24.05	—.25
Est. Sales		Prev. Sales 20,615					
Prev. Day Open Int. 82,635 off 1,343							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
79.10	68.30	Oct	76.90	77.00	76.57	76.65	—.30
78.12	71.00	Dec	74.85	74.92	74.45	74.60	—.20
77.80	72.50	Feb	74.20	74.25	73.92	74.15	—.05
78.05	74.15	Apr	75.25	75.27	74.97	75.15	—.07
75.45	72.52	Jun	73.45	73.50	73.30	73.38	—.30
73.80	71.05	Aug	71.90	71.95	71.60	71.60	—.22
72.50	71.02	Oct	71.75	71.80	71.75	71.77	+.15
Est. Sales 9,741		Prev. Sales 17,281					
Prev. Day Open Int. 67,972 up 1,418							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.35	78.50	Aug	88.72	88.75	88.52	88.57	—.13
88.85	78.00	Sep	86.40	86.40	85.85	86.15	—.25
87.82	78.20	Oct	84.90	85.05	84.45	84.80	—.22
87.75	79.00	Nov	84.90	84.92	84.35	84.85	—.07
87.15	79.75	Jan	84.55	84.55	84.15	84.45	—.07
85.60	80.90	Mar	83.15	83.15	82.70	82.95	—.05
84.85	81.20	Apr	82.60	82.60	82.20	82.25	—.20
83.50	80.20	May	81.20	81.20	81.20	81.45	
Est. Sales 1,649		Prev. Sales 3,261					
Prev. Day Open Int. 11,771 off 292							
HOGS (CME) 30,000 lbs.- cents per lb.							
55.70	40.80	Oct	49.00	49.35	48.25	48.45	—.75
55.45	44.25	Dec	50.40	50.55	49.57	49.70	—.77
52.95	45.25	Feb	48.12	48.25	47.50	47.77	—.35
48.80	43.60	Apr	44.85	45.10	44.60	44.82	—.13
51.85	47.70	Jun	49.10	49.10	48.45	48.95	—.15
51.00	48.30	Jul	49.05	49.05	48.95	49.17	—.18
48.80	46.90	Aug				47.80	+.10
43.50	42.90	Oct	44.00	44.20	43.90	43.90	+.20
Est. Sales 5,465		Prev. Sales 5,210					
Prev. Day Open Int. 27,693 off 910							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.65	48.07	Feb	54.00	54.20	52.37	52.37	—2.00
62.95	49.20	Mar	54.10	54.10	52.30	52.30	—2.00
63.00	49.50	May	54.77	54.77	52.65	52.85	—1.80
57.25	52.95	Jul	55.00	55.00	53.20	53.20	—1.82
Est. Sales 2,459		Prev. Sales 1,500					
Prev. Day Open Int. 5,674 off 723							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
120.00	77.25	Sep	98.50	99.00	97.50	98.40	+.05
109.50	81.00	Dec	101.60	102.40	100.85	101.75	+.15
116.75	83.00	Mar	104.75	105.65	104.00	105.00	+.25
123.00	91.25	May	106.45	106.60	106.45	107.25	+.65
111.25	92.75	Jul	109.75	109.75	108.80	109.75	—.25
112.50	97.50	Sep				111.95	—.85
113.50	86.90	Dec				114.00	—2.15
Est. Sales 5,368		Prev. Sales 7,942					
Prev. Day Open Int. 41,658							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
16.12	9.78	Oct	11.49	11.49	11.36	11.47	+.03
15.22	9.73	Mar	11.20	11.22	11.12	11.20	+.03
15.05	9.80	May	11.19	11.21	11.11	11.19	+.04
14.90	9.88	Jul	11.21	11.21	11.13	11.19	+.01
14.40	.72	Oct	11.27	11.30	11.24	11.27	+.02
Est. Sales 10,972		Prev. Sales 18,408					
Prev. Day Open Int.122,345							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1541	941	Sep	1275	1278	1220	1237	—75
1558	965	Dec	1320	1329	1266	1280	—83
1581	607	Mar	1365	1370	1319	1323	—84
1572	1000	May	1392	1392	1361	1356	—77
1590	1050	Jul	1424	1424	1378	1378	—80
1515	1284	Sep	1444	1444	1444	1378	—80
1535	1325	Dec				1439	—80
Est. Sales 8,394		Prev. Sales 6,270					
Prev. Day Open Int. 45,809							
Est. Sales 8,394		Prev. Sales 6,270					
Prev. Day Open Int. 45,809							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
202.00	123.50	Sep	169.75	169.80	168.50	169.40	—.35
199.50	124.00	Nov	156.75	158.50	156.35	158.30	+1.45
191.00	125.00	Jan	153.00	154.80	152.75	154.45	+1.20
190.50	148.50	Mar	153.00	154.20	152.90	153.95	+.95
190.00	150.00	May	153.80	153.00	153.00	153.45	+.95
180.00	150.80	Jul	153.00	153.00	153.00	153.45	+.95
Est. Sales		Prev. Sales 947					
Prev. Day Open Int. 7,436 off 72							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
135.80	95.80	Aug	132.00	132.00	128.90	128.95	—1.55
135.00	92.50	Sep	131.50	131.50	128.80	128.90	—1.45
131.50	94.50	Oct	129.80	129.80	128.80	127.20	—1.45
127.80	94.50	Nov	127.90	127.90	127.80	125.00	—1.45
126.20	91.50	Dec	126.00	126.70	123.20	123.40	—1.45
122.50	94.00	Jan				121.40	—1.45
115.30	99.50	Feb				119.50	—1.35
119.00	92.30	Mar	119.60	121.00	117.00	117.40	—1.30
115.50	99.85	Apr				115.90	—1.30
116.00	97.00	May	116.60	116.80	115.00	114.40	—1.20
108.20	102.30	Jun				113.00	—1.20
113.00	96.50	Jul				111.55	—1.20
110.50	95.50	Sep				109.25	—1.20
108.30	94.50	Dec	107.30	107.30	107.30	106.40	—1.20
		Jan				105.20	—1.20
99.25	96.00	Mar				104.20	—1.20
		May				102.20	—1.20
Est.Sales	Prev.Sales 3,881	Prev.Day Open Int. 31,264					Chg. unch
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
75.00	75.00	Aug				78.50	
76.00	73.20	Sep				80.00	
		Oct				80.00	
75.00	75.00	Dec				80.00	
75.00	75.00	Jan				80.00	
75.00	75.00	Mar				80.00	
75.00	75.00	May				80.00	
75.00	75.00	Jul				80.00	
		Sep				80.00	
75.00	75.00	Dec				80.00	
75.00	75.00	Jan				80.00	
75.00	75.00	Mar				80.00	
		May				80.00	
Est. Sales		Prev. Sales					
Prev. Day Open Int. 3							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
516.0	477.0	Aug	486.5	486.5	479.5	484.8	—.8
760.0	481.0	Sep	489.8	490.0	477.5	484.4	—.9
524.0	488.0	Oct	484.5	484.5	484.5	487.8	—.9
742.0	492.8	Dec	500.8	501.0	488.0	495.5	—1.0
688.0	499.9	Jan	508.0	500.0	495.8	498.0	—.9
665.0	502.5	Mar	511.0	511.0	499.0	506.2	—.9
647.0	510.0	May	518.0	518.0	507.8	513.2	—1.2
667.5	516.5	Jul	529.0	529.0	515.0	520.6	—1.5
654.0	524.0	Sep	534.0	534.8	526.0	528.4	—2.8
623.5	531.8	Dec	548.0	542.8	534.0	540.0	—2.5
596.0	546.0	Jan	548.0	548.0	548.8	543.4	—2.7
613.0	548.0	Mar	555.0	555.0	546.0	551.7	—3.0
589.0	559.0	May				559.9	—3.3
Est. Sales 32,000		Prev. Sales 42,352					
Prev. Day Open Int.100,227 up 1,763							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
540.50	472.50	Oct	487.00	488.00	478.00	482.90	—3.10
551.00	477.40	Jan	493.00	493.50	485.00	488.60	—3.20
554.50	485.50	Apr	496.00	496.00	492.00	493.60	—3.20
528.50	495.00	Jul	501.00	501.80	495.80	498.60	—3.20
513.00	506.00	Oct				504.40	—3.20
Est. Sales 3,874		Prev. Sales 4,830					
Prev. Day Open Int. 17,237 off 56							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
149.50	109.50	Sep	109.00	110.00	109.00	109.30	—1.10
147.00	111.50	Dec	111.00	112.25	110.25	111.90	—.60
142.00	114.20	Mar	114.00	114.80	113.80	113.30	—.80
125.25	117.50	Jun	116.80	116.00	114.50	114.90	—.70
119.40	119.40	Sep				116.90	—.70
Est. Sales 885		Prev. Sales 699					
Prev. Day Open Int. 5,705 up 34							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
487.00	348.20	Aug	392.50	392.50	380.00	385.00	—3.30
477.00	356.50	Sep				385.50	—3.30
472.00	332.50	Oct	393.50	395.00	381.00	387.90	—3.40
455.50	357.00	Dec	399.00	399.90	386.00	392.80	—3.40
457.50	362.80	Feb	402.00	404.00	390.00	396.90	—3.50
460.00	366.20	Apr	407.80	407.80	395.50	401.00	—3.60
466.20	372.00	Jun	404.50	404.50	404.50	405.50	—3.60
468.00	375.00	Aug	416.00	416.00	404.50	409.70	—3.80
474.00	385.80	Oct	409.50	409.50	409.50	414.40	—4.00
483.00	385.50	Dec	425.80	425.80	414.70	419.10	—4.10
454.50	392.00	Feb				424.20	—4.10
446.00	396.50	Apr				429.10	—4.30
467.00	433.40	Jun	433.00	433.00	433.00	434.20	—4.40
Est. Sales 70,000		Prev. Sales 87,007					
Prev. Day Open Int.134,027 up 1,714							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.65	91.28	Sep	92.65	92.67	92.61	92.63	
93.39	91.41	Dec	92.84	92.88	92.78	92.79	—.03
93.28	91.66	Mar	92.78	92.78	92.73	92.71	—.06
93.06	91.52	Jun	92.59	92.59	92.57	92.59	—.02
92.97	91.68	Sep				92.55	
		Dec	92.24	92.24	92.24	92.24	
Est. Sales 5,259		Prev. Sales 7,328					
Prev. Day Open Int. 35,174 off 1,085							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-14	92-24	Sep	94-18	94-18	93-30	93-31	—6
97-31	92-29	Dec	94-9	94-12	93-26	93-26	—6
97-25	92-24	Mar	93-27	93-28	93-21	93-21	—5
93-21	93-18	Jun				93-16	—5
Est. Sales		Prev. Sales 28,354					
Prev. Day Open Int. 80,814 up 1,218							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	89-11	89-11	88-13	88-14	—10
99-24	80	Dec	89-2	89-2	88-4	88-4	—10
99-12	79-21	Mar	88-18	88-24	87-26	87-26	—11
99-4	82-18	Jun	88-5	88-5	87-16	87-16	—11
99-5	85-31	Sep	87-23	87-23	87-6	87-6	—11
98-28	85-22	Dec	87-15	87-15	86-29	86-29	—12
98-13	85-14	Mar	87-2	87-2	86-20	86-20	—12
97-19	87-19	Jun				86-12	—13
97-12	87-14	Sep				86-5	—14
		Dec				85-30	—14
Est. Sales		Prev. Sales288,269					
Prev. Day Open Int.317,291 off 11,959							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-11	86-19	Sep	88-15	88-21	88-8	88-10	
92-21	85-14	Dec	87-8	87-16	86-27	86-27	—7
89-29	85	Mar				86-3	—7
89-17	84-26	Jun				85-15	—7
89-6	84-7	Sep				84-28	—7
Est. Sales		Prev. Sales 4,093					
Prev. Day Open Int. 9,026 off 634							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.90	91.91	91.83	91.86	—.01
92.40	89.88	Dec	91.92	91.93	91.84	91.85	—.03
92.35	89.36	Mar	91.85	91.87	91.74	91.75	—.06
92.19	89.91	Jun	91.71	91.73	91.59	91.61	—.06
92.04	90.04	Sep	91.57	91.57	91.44	91.46	—.05
91.82	90.04	Dec	91.32	91.32	91.19	91.21	—.06
91.82	90.07	Mar	91.34	91.34	91.11	91.12	—.07
91.76	90.35	Jun	91.13	91.13	90.99	91.00	—.08
91.72	90.32	Sep	91.06	91.06	90.94	90.94	—.08
91.53	90.24	Dec	90.93	90.93	90.80	90.81	—.08
91.45	90.28	Mar	90.89	90.89	90.77	90.78	—.08
91.51	90.27	Jun	90.82	90.82	90.69	90.70	—.08
91.47	90.27	Sep	90.77	90.77	90.47	90.66	—.07
91.37	90.22	Dec	90.69	90.69	90.59	90.58	—.07
91.00	90.24	Mar	90.68	90.68	90.58	90.57	—.07
90.97	90.41	Jun	90.63	90.63	90.53	90.51	—.06
Est. Sales		Prev. Sales120,975					
Prev. Day Open Int.751,818 off 3,543							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9518	1.5290	Sep	1.9428	1.9446	1.9272	1.9376	[illegible]
1.9230	[illegible]	Dec	1.9130	1.9140	1.9070	1.9074	[illegible]
1.8950	1.6610	Mar	1.8840	1.8840	1.8820	1.8820	[illegible]
Est. Sales 15,272		Prev. Sales 13,508					
Prev. Day Open Int. 44,650 up 148							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8828	.8093	Sep	.8750	.8754	.8723	.8728	+1
.8734	.8050	Dec	.8658	.8658	.8625	.8633	—1
.8645	.7990	Mar	.8580	.8580	.8558	.8561	—1
.8575	.7995	Jun	.8510	.8510	.8510	.8495	—1
.8520	.7985	Sep	.8460	.8460	.8460	.8437	—18
Est. Sales 6,577		Prev. Sales 6,104					
Prev. Day Open Int. 41,673							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6489	.5525	Sep	.6460	.6460	.6426	.6428	[illegible]
.6483	.5769	Dec	.6453	.6457	.6419	.6422	[illegible]
.6474	.5828	Mar	.6435	.6435	.6415	.6410	—25
.6442	.6233	Jun				.6401	—24
		Sep				.6391	—24
Est. Sales 34,704		Prev. Sales 31,616					
Prev. Day Open Int. 69,161 off 987							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007390	.006240	Sep	.006991	.006991	.006956	.006965	+28
.007080	.006290	Dec	.006992	.006992	.006955	.006963	+28
.006932	.006315	Mar	.006985	.006985	.006959	.006961	+26
.006836	.006445	Jun				.006961	+28
Est. Sales 30,015		Prev. Sales 35,372					
Prev. Day Open Int. 69,585 up 4,156							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7975	.6050	Sep	.7832	.7835	.7769	.7776	—77
.7965	.6309	Dec	.7822	.7825	.7758	.7766	—77
.7950	.6500	Mar	.7765	.7765	.7744	.7758	—77
.7930	.7065	Jun				.7750	—77
.7820	.6916	Sep				.7740	—78
Est. Sales 30,713		Prev. Sales 27,304					
Prev. Day Open Int. 54,689 off 858							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.10	187.10	Sep	195.80	196.20	194.20	194.30	—1.20
203.10	189.50	Nov	195.40	195.80	193.40	193.90	—1.30
205.50	186.20	Jan	201.00	201.30	199.10	199.10	—1.40
206.10	197.00	Mar	203.20	203.20	203.20	203.20	—.60
206.60	196.50	May	206.00	206.00	206.80	206.20	—.10
Est. Sales 667		Prev. Sales 1,612					
Prev. Day Open Int. 2,733 off 376							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
82.05	63.95	Oct	74.51	74.65	73.75	73.83	—1.22
77.00	62.80	Dec	72.75	72.78	71.86	71.98	—1.07
77.70	63.82	Mar	73.50	73.60	72.95	72.97	—.95
77.40	64.40	May	73.80	73.90	73.70	73.73	—.57
78.28	65.67	Jul	74.00	74.00	73.75	73.75	—.40
72.85	67.70	Oct	69.95	69.95	69.95	69.93	+.03
69.10	66.40	Dec	68.25	68.25	68.15	68.18	+.01
Est. Sales 5,000		Prev. Sales 7,521					
Prev. Day Open Int. 34,205 up 937							
HEATING OIL (NYME) 42,000 gal- cents per gal							
96.70	48.00	Sep	81.00	80.50	78.25	79.30	+1.[illegible]
96.39	50.05	Oct	81.00	81.20	79.10	80.58	—4.77
96.89	51.15	Nov	80.50	81.20	79.26	80.75	—4.51
97.15	52.37	Dec	80.80	81.30	79.25	80.95	—3.82
95.00	52.95	Jan	79.00	80.00	77.80	79.50	—2.89
92.45	52.40	Feb	76.00	76.85	74.50	76.80	—2.89
88.10	50.70	Mar	72.25	73.60	72.80	73.60	—2.34
85.10	49.30	Apr	69.50	70.10	68.75	70.00	—2.94
82.00	48.40	May	67.50	69.50	66.00	67.90	—2.84
81.80	48.00	Jun	66.50	68.00	65.00	67.00	—2.59
82.50	48.55	Jul	65.75	66.60	65.75	66.20	—2.99
Est. Sales 38,776		Prev. Sales 19,774					
Prev. Day Open Int.182,294 up 1,107							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
32.35	16.50	Oct	27.40	27.95	26.70	27.98	+1.87
30.80	17.30	Nov	26.80	27.50	26.10	27.50	—.54
30.06	12.80	Dec	26.10	26.98	25.70	27.00	—.22
29.57	17.87	Jan	25.50	26.35	25.25	26.15	—.43
29.15	18.15	Feb	25.15	25.85	24.75	25.85	—.15
28.73	18.40	Mar	24.55	25.45	24.40	25.25	—.10
28.41	18.03	Apr	24.30	24.95	24.00	24.85	—.10
28.14	18.03	May	23.70	24.60	23.60	24.60	+.85
27.89	16.65	Jun	23.45	24.10	23.22	24.10	—.10
27.67	17.08	Jul	23.13	23.80	23.13	23.80	—.18
27.49	18.70	Aug	23.40	23.60	23.20	23.60	—.05
27.34	19.10	Sep	23.25	23.40	23.20	23.40	—.08
27.20	19.60	Oct	23.00	23.00	22.80	23.00	[illegible]
27.00	19.45	Dec	22.80	22.80	22.80	22.80	[illegible]
26.18	21.23	Feb	22.75	22.75	22.75	22.75	[illegible]
Est. Sales 98,913		Prev. Sales 98,583					
Prev. Day Open Int.256,547 up 9,189							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	305.20	Sep	320.60	323.25	320.50	2.90	—19.90
378.90	308.45	Dec	324.50	327.05	324.40	326.50	—.18
383.20	312.00	Mar	327.00	327.00	327.00	329.50	—.15
Est. Sales		Prev. Sales 49,878					
Prev. Day Open Int.142,233 off 1,851							
VALUE LINE (KCBT) points and cents							
297.90	234.00	Sep	246.00	247.20	245.50	247.10	
302.10	237.00	Dec	249.00	250.00	249.00	249.80	—.30
303.80	260.25	Mar				253.20	—.40
Est. Sales		Prev. Sales 78					
Prev. Day Open Int. 1,396 off 10							
NYSE COMP. INDEX (NYFE) points and cents							
188.90	167.25	Sep	176.00	177.25	175.70	177.00	+.15
206.50	169.25	Dec	178.00	179.25	177.50	178.80	—.05
207.80	174.75	Mar	180.40	180.85	180.40	180.80	—.05
192.25	181.50	Jun	182.85	182.85	182.85	182.80	—.05
Est. Sales		Prev. Sales 5,627					
Prev. Day Open Int. 5,758 off 246							

Commodity Indexes

	Close	Previous
Moody's	1,135.20 f	1,138.90 f
Reuters	1,800.30	1,790.60
D.J. Futures	134.37	134.16
Com. Research	238.37	240.85

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chg'e
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Statoil and BP Plan Wide Collaboration

Reuters

STAVANGER, Norway — Norway's state-owned oil company and British Petroleum Exploration Co. announced on Tuesday they had agreed to collaborate on North Sea gas supply, technical research and international exploration and production.

The venture, which comes at a time of increased tension in the Middle East, aims at linking two big companies that do oil exploration work in key areas outside the Gulf, including West Africa, Asia and the Soviet Union.

At a joint news conference, Statoil and British Petroleum said they had agreed to examine the scope for commercial cooperation.

This would include the use of existing and new North Sea infrastructure to transport British and Norwegian gas to markets in Britain, they said.

The two companies will also explore ways of transporting gas in Europe, and joint marketing of gas in Britain, said the president of the Norwegian company, Harald Norvik.

In the first half of 1990, Statoil made a 5.52 billion kroner ($896.1 million) profit before extraordinary items, nearly double the year-earlier 2.79 billion kroner. Full-year 1989 profit before extraordinaries was 8.2 billion kroner.

The company said earlier this month that it expected somewhat higher production in the second half of 1990, with a possible rise in profit if prices for crude oil stay high.

British Petroleum Exploration is a unit of British Petroleum Co.

The agreement calls for a joint technical research program to support international exploration and development. The program will cost $20 million a year, with the cost to be shared equally by the two companies.

It also covers international joint oil and gas exploration and development, focusing on opportunities in West Africa, offshore China and Vietnam, and the Soviet Union.

The chief executive officer of BP Exploration, John Browne, said that the joint international production and exploration activities would focus on the world's diminishing number of new oil and gas exploration areas.

The first, study phase of the agreement will be concluded around the end of 1990, Mr. Browne said.

"What we are doing with Statoil goes far beyond the traditional joint venture," he said.

Mr. Browne said that two companies were combining their technical, strategic, financial and organizational strengths in order to become competitive on a world scale.

"It will take three to four months to decide how best to set up joint ventures in each activity," Mr. Norvik said. Staff from both companies will be provided for any joint ventures, he said.

Mr. Norvik said that both companies would continue to honor existing commitments on North Sea gas supplies and transportation.

Delay Granted To Eurotunnel On Financing

Reuters

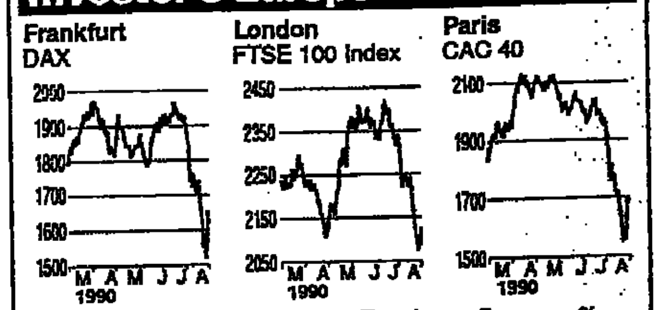
LONDON — Eurotunnel PLC has been granted an extension until mid-September on syndication of a £2 billion ($3.89 billion) loan needed to complete the financing of the Channel tunnel, a Eurotunnel spokesman said.

Meanwhile, Japanese banking sources in London said that Prime Minister Margaret Thatcher had sent a letter to Prime Minister Toshiki Kaifu asking the Japanese government to support the project.

The sources said Japanese banks had already made a major commitment and were reluctant to increase their exposure. But one senior official said his bank had decided to lend more money.

The Eurotunnel spokesman said that the extension would allow further drawdowns on an existing £500 million credit.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	102.50	102.70	-0.19
Brussels	Stock Index	5631.73	5635.12	-0.06
Frankfurt	DAX	1617.89	1654.80	-2.23
Frankfurt	FAZ	689.60	693.27	-0.53
Helsinki	UNITAS	520.50	519.20	+0.25
London	Financial Times 30	1657.40	1616.80	+2.51
London	FTSE 100	2126.10	2086.40	+1.90
Madrid	General Index	255.76	251.46	+1.71
Milan	MIB	906.30	889.00	+1.95
Paris	CAC 40	1680.80	1699.72	-1.11
Stockholm	Affarsvarlden	1180.80	1118.50	+5.57
Vienna	Stock Index	581.07	546.52	+6.32
Zurich	SBS	573.20	581.50	-1.43

Sources: Reuters, AFP — International Herald Tribune

SAS Revenue Edges Up But Profit Falls 37.7%

Agence France-Presse

COPENHAGEN — Scandinavian Airlines System, the airline and hotel group, said Tuesday its pretax profit fell 37.7 percent in the first half of this year, to 369 million kroner ($64.7 million).

The group had a pretax profit of 593 million kroner in the same period last year.

The group president, Jean Carlzon, said the first-half result was unsatisfactory and "a development which we cannot accept." SAS would take "a series of measures to improve the economic situation of the group," he added.

The group's central activity, its airline operation, saw its profit fall from 416 million kroner to 128 million during the first six months of this year, largely due to the fall of the dollar and the yen.

Revenue in the airline sector was, however, up to 10.40 billion kroner from 9.5 billion, while total group revenue rose to 15.2 billion kroner from 13.74 billion.

SAS is planning to shed parts of the group it does not consider indispensable to its activities, such as selling 50 percent of its stake in the Swedish domestic airline Linjeflyg or the merger of its loss-making Scanair charter unit with another northern European airline.

■ **Lufthansa Revenue Up**

Lufthansa German Airlines AG said Tuesday gross revenue from its flight business rose to 5.7 billion Deutsche marks ($3.7 billion) in the first half of 1990, up 7 percent from the same period last year, Reuters reported from Frankfurt.

Lufthansa added in a statement that strong growth in passenger business had continued in the third quarter. "Lufthansa is therefore confident that it will end 1990 with higher revenues and another strong cash flow," it said.

The airline carried nearly 10.5 million passengers in the first half of 1990, a rise of over 10 percent.

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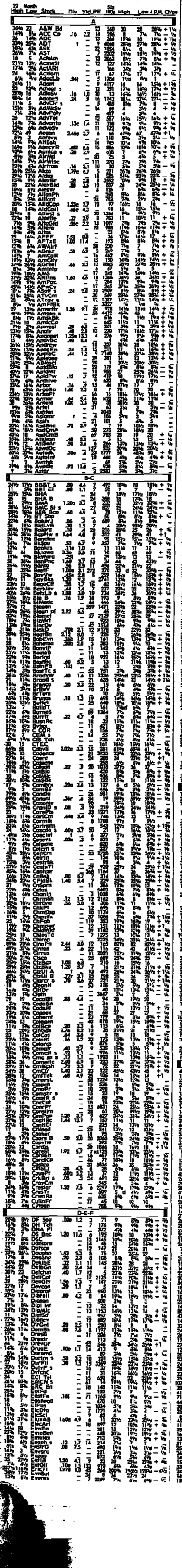
Tuesday's Prices

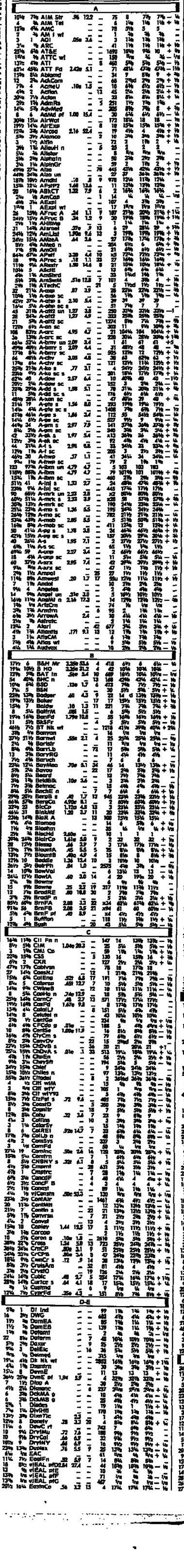
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

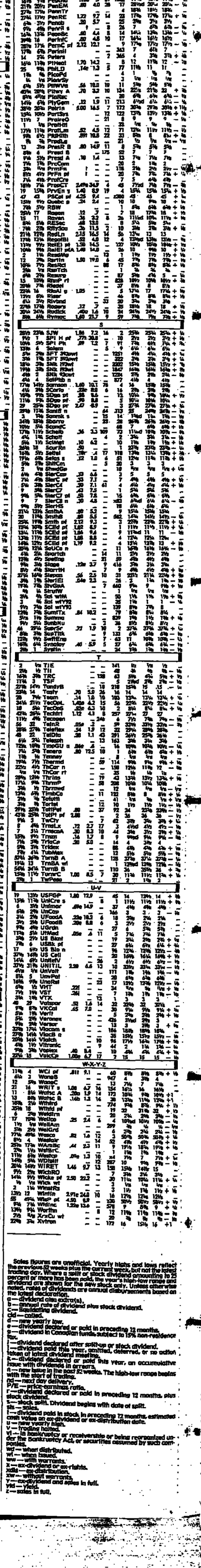


AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*





Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales in full.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vj — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — Yield.
z — sales in full.

Overseas Loans Depress Hongkong Bank Profit

By Steve Glain

International Herald Tribune

HONG KONG — Hongkong & Shanghai Banking Corp. on Tuesday announced a half-year fall in profit of 20.7 percent, dashing hopes that the colony's largest and most influential bank was easing out from a yoke of doubtful overseas loans.

The after-tax profit for the six months ended June 30, at 1.53 billion Hong Kong dollars ($196.9 million), was far below forecasts, which had called for between 4 and 13 percent profit growth.

The decline is widely expected to be a prelude to the bank's first annual shrinkage in profit in 23 years. Analysts said the fall reflected heavy losses and bad debt provisioning by the bank's operations in Australia, the United States and Britain.

"If we're going to catch up, we're going to have to report a pretty staggering performance in the second half," said Paul Selway-Swift, the bank's general manager. "And that'll be difficult."

The six-month figure compared with 1.93 billion dollars in the corresponding period last year. For the 1989 financial year, the bank reported an annual profit of 4.7 billion dollars, up 11 percent from a year earlier, but down from the 20 percent growth rate posted in 1988.

The results were released after the close of the stock exchange in Hong Kong on Tuesday. Hongkong Bank's share price rose 30 cents on the day, to 5.65 dollars.

Although the group's regional network continues to post steady growth, it was not enough to offset its poor performances from outside Asia, according to analysts. Nearly half of the bank's assets are exposed to the United States and Europe, with Asia accounting for 48 percent.

Despite the disappointing result, Mr. Selway-Swift pointed out the half-year results were calculated after the directors transferred funds to the bank's hidden reserves, estimated by analysts at between 20 billion and 50 billion dollars. Under Hong Kong regulations, banks are not obliged to reveal their hidden reserves if they meet global capital-adequacy standards.

"The important thing is that we transferred to the reserves, and did not withdraw from them," said Mr. Selway-Swift.

But some analysts said the extent of the profit loss suggested the bank was more concerned with augmenting its reserves than was previously forecast.

"The fact that they were willing to report such low numbers suggests the reserves don't offer them as much leeway as people think," said David Kowitz, an analyst with Jardine Fleming Broking Ltd.

Mr. Selway-Swift said the bank continues to be saddled with costly loan-loss provisions from Hongkong Bank of Australia Ltd., which reported an after-tax loss of 81.6 million Australian dollars ($67.7 million) for the 1989 financial year, compared with a profit of 10.8 Australian dollars in the previous year. The bank's primary source of bad loans is the Australian entrepreneur Alan Bond, who at one time was extended up to $1 billion by the bank, according to analysts.

In May, Hongkong Bank of Australia laid off 8 percent of its employees to trim costs. Although the bank is under new management, it is expected to report another loss for 1990, a statement from Hongkong Bank directors said.

Hongkong Bank was also forced to pump $200 million into its wholly owned U.S. unit, Marine Midland Bank, to help it with provisions against loans made to Latin American countries.

Marine Midland, which is also heavily exposed to the sagging U.S. real estate market, reported a decline in earnings of 85 percent, to $6 million, in the first quarter of this year. At the end of 1989, Marine Midland's nonperforming loans totaled $1.2 billion.

Bad debts have also hit Midland Bank PLC, of which the Hongkong Bank owns a 14.9 percent share. Midland reported a loss of £261 million ($507 million) for 1989, largely because of loan-loss provisions and exposure of £30 million to the failed finance company British & Commonwealth Holdings PLC.

Many analysts expect the two banks to merge within the next year to provide Hongkong Bank with a back door out of the colony before it reverts to Chinese control in 1997.

Hongkong Bank's profitability was also hit by losses posted by its global securities trading company, James Capel & Co., according to the director's statement.

The Gulf crisis is also expected to have an impact on Hongkong Bank's operations in the Middle East, which accounts for 4 percent of the group's assets.

"There are always going to be winners and losers" in the Gulf crisis, said Philip Niem, director of research for Hoare Govett Asia Ltd. "One has to be cautious and assume they've been lending to some of the losers as well."

Revenue from Saudi British Bank and British Bank of the Middle East accounted for 9 percent of group profit in 1989, and had been expected to contribute more this year.

Although Asia's economies are expected to shrug off the brunt of the Gulf tremors, the outlook for the Western economies — and the group's overall performance — remains grim, said Mr. Selway-Swift.

Trade Gap Widens in Australia

Compiled by Our Staff From Dispatches

CANBERRA — Australia's current account deficit widened to 1.73 billion dollars ($1.44 billion) in July from a revised 1.30 billion dollars in June, the statistics bureau said Tuesday.

Treasurer Paul Keating said the 33 percent rise in the deficit did not justify a further easing of monetary policy. "I don't think these figures argue for that," he said.

The Australian dollar rose steadily after the trade data, reflecting a dashing of expectations for lower interest rates. The currency hit a high of 83.57 U.S. cents, up from 83.00 cents on Monday.

The July figure was down from a deficit of 1.94 billion dollars in July 1989.

Despite Mr. Keating's caution on interest rates, Westpac Banking Corp., Australia's largest bank, said it would reduce its prime rate by a quarter percentage point to 17.5 percent on Sept. 7.

Stuart Fowler, Westpac's managing director, said the move was a response to lower interest rates following the last easing of monetary policy in early August. The government has lowered rates four times this year following evidence that the economy has slowed.

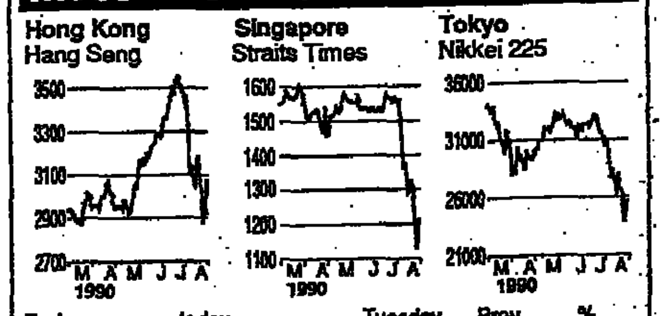
Mr. Keating cited the most recent move in ruling out any further interest rate cuts. He said banks' own lending rates and credit policies "are having a greater impact in terms of monetary conditions than official monetary policy."

The merchandise trade balance was in deficit by 300 million dollars in July, compared with a surplus of 299 million dollars in June. Imports rose 25 percent in July, to 4.42 billion dollars, while exports rose only 7 percent, to 4.12 billion dollars.

On a seasonally adjusted basis, the deficit narrowed to 1.23 billion dollars in July from 1.56 billion dollars in June and 1.72 billion dollars in July 1989.

The statistics bureau also said Australia's net foreign debt fell to 124.53 billion dollars in the end of June from 124.95 billion dollars in March, reflecting the Australian dollar's rise against the U.S. dollar during that period. Net debt was up from 109.9 billion dollars a year ago. (AFP, Reuters)

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3078.94	2918.01	+5.52
Singapore	Straits Times	1217.41	1198.23	+1.60
Sydney	All Ordinaries	1491.80	1477.00	+1.00
Tokyo	Nikkei 225	25710.76	25141.76	+2.26
Kuala Lumpur	Composite	534.62	521.46	+2.52
Bangkok	Book Club	719.76	661.25	+8.85
Seoul	Composite Stock	642.42	614.29	+4.58
Taipei	Weighted Price	3606.18	3378.50	+6.74
Manila	Composite	752.06	726.05	+3.58
Jakarta	Barclays	551.57	546.83	+0.87
New Zealand	National Index	1597.87	1571.74	+1.66
Bombay	Stock Index	N.A.	619.66	-

Sources: Reuters, AFP — International Herald Tribune

Matsushita Net Profit Rose 11% in Quarter

Compiled by Our Staff From Dispatches

TOKYO — Matsushita Electric Industrial Co. said Tuesday its net consolidated profit grew 11 percent in the three months to June and sales rose 13 percent, led by a strong increase in overseas sales.

Matsushita, the world's biggest consumer-electronics company, said net profit rose to 58.3 billion yen ($381 million), or 26.41 yen a share, in the three months ended June 30, from 52.6 billion yen, or 24.69 yen a share, in the same period a year earlier.

On a pretax basis, profit rose less than 1 percent, to 125.6 billion yen, from 124.6 billion yen.

Sales rose to 1.58 trillion yen from 1.40 trillion yen.

Domestic sales grew 7 percent, to 845 billion yen, while overseas sales jumped 20 percent, to 731 billion yen.

The company, which sells under such brands as National, Panasonic and Technics, said sales growth was led by communication and industrial products, including personal computers, printers and telephone equipment. Sales of the equipment rose 22 percent to 376 billion yen.

The biggest sales component remained video equipment, which rose 7 percent to 394 billion yen. Flat demand for video recorders was offset by higher sales of televisions, particularly advanced models, the company said.

Sales of audio equipment advanced 17 percent, to 138 billion yen, led by headphone cassette players and compact-disc units with radio and cassette functions.

Home appliance sales climbed 8 percent, to 234 billion yen, led by washing machines. Sales of electronic parts also rose 8 percent, to 205 billion yen. Sales of battery and kitchen products jumped 16 percent, to 78 billion yen. (AFP, Reuters)

Daewoo Sales Jump in Half With Net Loss

Reuters

SEOUL — Daewoo Shipbuilding and Heavy Machinery Ltd. recorded sales of 293 billion won ($409.5 million) in the first six months of 1990, almost double the first-half sales of a year ago, but the company still had a net loss of 29.8 billion won during the period, a Daewoo official said Tuesday.

The official attributed the growth in sales to increases in ship prices and in demand, and to stepped-up efforts to revitalize the company.

For the first half of last year, Dae Woo recorded sales of 149.2 billion won and a net loss of 126.7 billion won.

At the end of this June, the company had a backlog of orders amounting to about four million gross tons and worth $2.5 billion, he said.

Seoul's Current Account Returns to Surplus in July

Compiled by Our Staff From Dispatches

SEOUL — South Korea's current account moved back into surplus in July after six consecutive monthly deficits, the Bank of Korea reported Tuesday.

The July current account showed a surplus of $524.9 million, according to provisional figures released by the central bank. In June, the current account registered a deficit of $17.6 million.

Last month's surplus reduced the deficit during the first seven months of this year to $1.042 billion, compared with a surplus of $2.87 billion in the same period last year, the report said.

The July current account surplus was due mainly to a favorable trade balance, as exports totaled $5.437 billion compared with imports of $4.919 billion, according to the central bank.

During the first half of this year, sluggish exports led to a deterioration of South Koreas's trade balances with the United States, Japan and the European Community. The country's exports have lost competitiveness because of sharp domestic wage increases and a lack of technical improvements, South Korean officials have said.

Also, labor disputes in the auto industry cut production beginning last year, contributing to the sluggishness in exports. But a decrease in labor problems in the auto industry and a relatively weak won contributed to a rebound in July, and trade officials have predicted more growth in auto exports in coming months.

For the January through July period, however, South Korean exports rose by only 1.5 percent over a year ago, to $34.652 billion, while imports increased by 12.1 percent to $35.515 billion.

South Korea enjoyed a mounting annual current account surplus from 1986 to 1988, with the surplus rising from $4.6 billion in 1986 to $14.16 billion in the latter year. The surplus dropped to $5.05 billion in 1989. (Reuters, AFP)

Kuwait Bank Considers Setting Up in Singapore

Compiled by Our Staff From Dispatches

SINGAPORE — Gulf Bank KSC, which is based in Kuwait, may set up temporary headquarters in Singapore if the Iraqi occupation of the sheikhdom continues, a bank director said here Tuesday.

Najib H.M. Saleh, a Gulf Bank director who arrived on Sunday for talks with officials of the Monetary Authority of Singapore, the republic's equivalent of a central bank, said the institution would continue operations despite closure of all 30 of its branches in Kuwait after the Iraqi invasion on Aug. 2.

He said that Singapore, where the bank's sole overseas branch is situated, was the "only logical alternative in the present circumstances to get started up immediately."

"The bank's assets have been frozen in a number of countries, but over a period of time we would expect them to be unfrozen," the Gulf Bank's acting chief general manager, Stuart Webster, said in an interview.

The Gulf Bank's only other foreign bureau is its European representative office in London.

Four of the bank's 12 directors were currently trapped in Kuwait but the others were outside the sheikhdom.

The bank reportedly has had difficulty obtaining credit lines from other financial institutions following a freeze on Kuwaiti government assets in countries around the world.

As of Dec. 31, 1989, the Gulf Bank had total assets of 1.95 billion Kuwaiti dinars (then worth $6.72 billion). Its liabilities were estimated then at 1.7 billion dinars, according to the bank's figures. About 50 percent of the bank's total assets are held outside Kuwait. Up to 15 percent of total overseas assets are in Singapore.

Gulf Bank is a privately run bank with about 90 percent of its equity held by Kuwaiti private institutions and individuals. The balance is held by the Kuwaiti government. (AFP, Reuters)

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SPORTS

Blue Jays Run Into Trouble

By Robert Fachet
Washington Post Service

TORONTO — The Toronto Blue Jays live or die by the home run. Having gone 10 games without one, the Blue Jays are watching their pennant hopes die.

Without the big hit, Toronto was shut out for three straight games by first-place Boston over the weekend and, after losing Monday, dropped five games behind in the American League East Division.

The Blue Jays seemingly are incapable of scratching out runs. They are more likely to run themselves out of an inning than to manufacture a run with a bunt, hit-and-run or right-side grounder with a man on second.

"You have to give the Red Sox a lot of credit for playing good baseball and us a little credit for playing stupid baseball," said outfielder Mookie Wilson, the former New York Met who wonders why his current team has so little acquaintance with the fundamentals.

Wilson drew an ovation on Saturday when he successfully executed a sacrifice bunt. It was the only one Toronto managed in a series in which three games were decided by one run and the other by two. Wilson, in fact, owns one-third of the team's 15 sacrifices, by far the fewest in the major leagues. Seventeen of 26 teams have more than 40.

The Blue Jays lost four of five games in Texas early in August. During those defeats, they had eight runners thrown out, five of which represented the tying or lead run.

"We've made a lot of base running mistakes, a lot of mental mistakes," Toronto's manager, Cito Gaston, said. "Errors you can accept, but a mental lapse has a tendency to come back and cost you."

Asked what a manager could do about mental lapses, Gaston replied: "Not a damn thing. I'd like to get inside these guys' heads, but I'm not quite that skilled."

The Blue Jays' shortcomings were made obvious by the Oakland Athletics in their five-game American League championship series last fall. The A's took over the major league home run lead during the Blue Jays' recent drought, but they also are expert at the little things.

"A lot of people think Oakland just hits home runs," the Toronto infielder Rance Mulliniks said. "But they execute better than anybody else. If they get a man on third with one out or a man on second with none out, they get the run in. That takes attitude as well as talent."

Ironically, Mulliniks was pinch-hitting Saturday in the ninth with none out, a runner on first and the Blue Jays trailing Roger Clemens, 1-0. A bunt was the obvious call, but Mulliniks got a green light and lined out. The next batter, Fred McGriff, doubled, but Toronto never did score.

Two decisions during Friday's 2-0 loss saddled Gaston with monumental second guesses.

Greg Myers doubled in the seventh and Manny Lee, a poor bunter who had botched a sacrifice attempt the night before, did it again. After making the bunt try obvious, he tapped the ball right back to pitcher Dana Kiecker, an excellent fielder who got the out at third.

A switch hitter, Lee was batting left-handed and could be expected to at least manage a right-side grounder. However, Gaston explained: "I know Manny's not a good bunter, especially from the left side. But I don't think Manny is able to pull the ball in that situation."

In the fifth inning, the first two Toronto batters reached base against Kiecker. No situation could be more demanding of a bunt but the next batter, Tony Fernandez, the No. 2 hitter, grounded the first pitch into a double play.

Gaston said Kelly Gruber and George Bell, the third and fourth hitters, "haven't had too much luck with Kiecker, so that's why I didn't bunt." Gaston probably was right. Gruber and Bell were a combined zero for 24 in the four-game series. But if they aren't hitting, why are they occupying the key spots in the batting order?

Brewers Buzz Toronto

The Associated Press

TORONTO — The Toronto Blue Jays snapped a 28-inning scoreless streak, swatting consecutive run-scoring doubles in the second inning. But for the rest of the game Monday, the only thing they were swatting were bugs.

The game was delayed for 35 minutes in the fifth by swarms of gnats. But when the SkyDome's roof was closed and play resumed, the Milwaukee Brewers took advantage of some sloppy play to score two unearned runs in a 4-2 victory, sending the struggling Blue Jays to their fourth straight loss.

The gnats had players spraying their uniforms with insect repellant.

"They were all over everybody," said B.J. Surhoff, who doubled in the tie-breaking run in the seventh. "We could have played on, but it was ridiculous. They seemed to be concentrating on home plate and the mound."

With one out in the seventh and the scored tied at 2-2, Rob Deer singled and Surhoff doubled just beyond the reach of first baseman Fred McGriff. Surhoff took off for third on the futile throw home by right fielder Junior Felix, who took five steps before releasing the ball, and scored when catcher Pat Borders threw wildly trying to get him.

Umpire Don Denkinger, the crew chief, halted the game in the fifth.

"I've never seen anything like it," Denkinger said. "I've seen games called by rain, wind and snow, but never bugs."

Hans Deryk
Toronto's David Wells found a solution to the swarm of gnats that invaded the SkyDome: a bee screen.

SIDELINES

Leonard Relinquishes Title

MEXICO CITY (AP) — The World Boxing Council has announced that Sugar Ray Leonard has renounced his super-middleweight world title.

The council said in a news release on Monday that Leonard renounced the title during a telephone call with Jose Suleiman, WBC president. The title was won against Don Lalonde on Nov. 7, 1988.

"Leonard said that at the moment he has no plans to defend this title," said the council release, signed by Eduardo Lamazon, the WBC secretary, "and that he has found himself far below the weight of the super-middleweight division, and therefore he offered the resignation."

Gretzky: Oilers' Boss Cheap

EDMONTON, Alberta (AP) — Wayne Gretzky, in his book "Gretzky: An Autobiography," co-written with Rick Reilly of Sports Illustrated, describes Peter Pocklington, owner of the Edmonton Oilers as a cheapskate and says "sometimes he could be a complete jerk."

The National Hockey League's all-time leading scorer, now with the Los Angeles Kings, says money was at the root of problems he had with Pocklington and then-coach Glen Sather, now the Oilers' president and general manager.

He says Sather couldn't accept that players wanted higher salaries and Pocklington used the cash flow provided by the Oilers to support his other business ventures.

Greek Bettor Hits Jackpot

ATHENS (AP) — A 30-year old Greek businessman who is said to have a limited knowledge of soccer, has won 102 million drachmas ($663,000) by forecasting the correct results in the weekly soccer pool the past two weeks.

The businessman, who asked that his name not be published, was the only one out of thousands of persons to pick the correct results of all 13 games listed in the pool two weeks ago for a prize of 34 million drachmas. He did it again last week and won 68 million drachmas.

Cavanaugh Rallies Eagles

INDIANAPOLIS (AP) — Matt Cavanaugh completed nine of 10 passes for 109 yards in the fourth quarter and set up Roger Ruzek's 33-yard field goal with 1:56 to go, lifting the Philadelphia Eagles to a 17-16 National Football League exhibition victory over the Indianapolis Colts.

Cavanaugh, the third quarterback used by Philadelphia, completed four of five passes for 55 yards as Philadelphia drove from its own 18 with five minutes to go to the Colts' 16 at the two-minute mark. Ruzek then made the winning field goal.

Cavanaugh completed four straight passes for 54 yards on his first series as the Eagles rallied from a 16-7 deficit in the final period.

For the Record

The Pittsburgh Penguins' Mario Lemieux skated for 15 minutes Monday for the first time since surgery on July 11 for a herniated disk in his back. He said his only complaint was "just some minor stuff from working out." *(AP)*

George Foreman, the former world heavyweight champion, will continue his comeback against the Argentine champion, Walter Masseroni, in London Arena on Sept. 25. Foreman, 42, has won 22 consecutive fights since coming out of retirement in 1987. *(AFP, AP)*

The Argentine Tennis Association said Tuesday that Martin Jaite and Alberto Mancini will play singles and Chistian Miniussi and Javier Frana will play doubles in its Davis Cup semifinal with Australia. Miniussi is replacing Gustavo Luza for the Sept. 21-23 match in Sydney. *(AP)*

Burks Homers Twice in One Inning as Red Sox Rout the Indians

Compiled by Our Staff From Dispatches

Ellis Burks became the second player in Red Sox history to hit two home runs in one inning and Mike Boddicker extended Boston's shutout streak to 33⅓ innings in a 12-4 victory over the Indians in Cleveland.

Burks, who hit a run-scoring double in the first inning Monday night, opened Boston's eight-run fourth against Tom Candiotti with his 14th homer and capped it by greeting Colby Ward with a three-run shot. Burks also singled in the ninth as Boston won its fourth straight.

The streak of 33⅓ scoreless innings by Boston pitchers ended when Boddicker gave up a solo home run to Chris James with two out in the seventh. It was the first home run yielded by a Boston pitcher in 96 innings.

Burks's feat was the 25th time in major league history that a player hit two home runs in one inning. The only other Red Sox player with two in one inning was Bill Regan on June 16, 1928.

BASEBALL ROUNDUP

Twins 7, White Sox 0: In Minneapolis, Gene Larkin drove in four runs with a three-run homer and a single and 16-game loser Allan Anderson pitched a four-hitter for his first shutout of the season. Anderson pitched his third straight complete game and fifth full game of the season.

The White Sox fell 5½ games behind idle first-place Oakland in the American League West.

Yankees 4, Orioles 0: Jesse Barfield, Matt Nokes and Roberto Kelly homered off rookie Ben McDonald, who had yielded only two home runs in 57 previous innings, and Andy Hawkins pitched a four-hitter through 8⅔ innings in Baltimore.

Angels 7, Rangers 3: Dick Schofield's single with two out in the eighth inning snapped a 3-3 tie and Devon White followed with a three-run homer in Anaheim, California.

Lee Stevens singled to open the inning off John Barfield. Brad Arnsberg retired two batters before Jack Howell singled Stevens to third and Schofield's single scored him. White then hit his 10th home run.

Padres 4, Expos 1: In a National League game in Montreal, Joe Carter and Garry Templeton homered for the Padres and Craig Lefferts got pinch-hitter Andres Galarraga to fly out with the bases loaded in the ninth for the game's final out.

Carter tied the score at 1-1 with a solo home run in the fourth, and an RBI single by Bip Roberts put the Padres ahead in the fifth.

Templeton hit a two-run shot in the seventh off Dennis Boyd. *(AP, UPI)*

BOOKS

THE WORLD IS BURNING

By Alex Shoumatoff. 377 pages. $19.95. Little, Brown, 34 Beacon Street, Boston, Mass. 02108.

THE BURNING SEASON: The Murder of Chico Mendes and the Fight for the Amazon Rain Forest

By Andrew Revkin. 317 pages. $19.95. Houghton Mifflin, One Beacon Street, Boston, Mass., 02108.

Reviewed by Roger Cohen

IN Chico Mendes, a Brazilian rubber tapper who was murdered in December 1988, the developed world found a symbol of resistance to the destruction of the planet.

Mendes, who had campaigned for the preservation of the Amazon rain forest that provided his livelihood, became a martyr to the environment and a posthumously fashionable figure.

After a torrid summer in the United States in 1988, with its drought and fires in Yellowstone Park, the killing of Mendes by ranchers intent on setting the Brazilian forest ablaze caught the imagination and indignation of Americans. He became the symbol of the little man standing up to the big interests that were fueling global warming.

Now, two books — Andrew Revkin's "Burning Season: The Murder of Chico Mendes and the Fight for the Amazon Rain Forest" and Alex Shoumatoff's "The World Is Burning" — look back at the life and death of Mendes.

Each, inevitably, covers much of the same ground, chronicling the gradual transformation of Mendes from a humble rubber tapper in Acre, an eastern Brazilian state, to a man whose courageous defense of the trees and workers he loved eventually made him a figure of such influence that the ranchers he opposed decided to kill him.

But the similarities between the books end there. While Revkin's book is a clear, informative account of the clash in the dark heart of the rain forest, Shoumatoff seems unable to decide whether he is writing a personal travelogue of his own meanderings in the Amazon and elsewhere or the story of Mendes.

Mendes emerges as a genuinely tragic figure, swept up in larger forces that ultimately destroy him. Born into the depressed fringes of western Brazil, he takes up his father's work, tapping the rubber trees of the rain forest to extract the syrupy latex that will become rubber.

Through a series of chance encounters, he is thrust from this role into the defense of his livelihood against ranchers and others pouring into Acre, intent on burning the forest for pasture.

Finally, as the global environmental movement gathers force, he assumes a much wider role as a spokesman for the rain forest at international meetings in Miami and Washington, before his still primitive corner of Brazil reclaims him, with bullets.

While waving the Mendes banner is now de rigueur for those who are attracted by rain-forest chic, this is a useful reminder that the rubber tapper was no starry-eyed environmentalist.

On the contrary, his struggle to create "extractive reserves" in the forest was directly born of the violent reality of Brazil. It is a reality well captured by Revkin when he evokes the strangeness of Amazonia:

Large extractive reserves for rubber and nuts have been created since Mendes's death. Killings in Amazonia have fallen off in an apparent sign that the ranchers' sense of impunity has diminished. And the new Brazilian president, Fernando Collor de Mello, has committed himself to environmental defense amid a growing realization that the development of the Amazon has been hopelessly mismanaged.

This is testimony to Mendes's achievement. The Amazon, 15 percent of the total mass of plant life, is still little known, and he stood up, almost alone, to preserve its treasures. As Revkin writes, in an image that is bound to encourage those continuing the struggle Mendes began, "Where one tree has fallen to crumble and rot, dozens of green seedlings and saplings suddenly spring up to vie for the blast of sunlight entering the hole in the canopy."

Roger Cohen is on the staff of The New York Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

This Week		Last Wk	Weeks on List
	FICTION		
1	THE BURDEN OF PROOF, by Scott Turow	1	11
2	THE WOMEN IN HIS LIFE, by Barbara Taylor Bradford	3	3
3	MEMORIES OF MIDNIGHT, by Sidney Sheldon		1
4	MESSAGE FROM NAM, by Danielle Steel	2	10
5	THE STAND, by Stephen King	6	16
6	COYOTE WAITS, by Tony Hillerman	4	8
7	SEPTEMBER, by Rosamunde Pilcher	7	19
8	OH, THE PLACES YOU'LL GO! by Dr. Seuss	9	27
9	GET SHORTY, by Elmore Leonard	5	3
10	STARDUST, by Robert B. Parker	8	5
11	HAMMERHEADS, by Dale Brown	10	4
12	AN INCONVENIENT WOMAN, by Dominick Dunne	11	16
13	THE BOURNE ULTIMATUM, by Robert Ludlum	12	34
14	DRAGON, by Clive Cussler	13	16
15	SEVENTH HEAVEN, by Alice Hoffman		1
	NONFICTION		
1	MEN AT WORK, by George F. Will	1	20
2	THE POLITICS OF RICH AND POOR, by Kevin Phillipo	3	4
3	YOU JUST DON'T UNDERSTAND, by Deborah Tannen	5	4
4	DAVE BARRY TURNS 40, by Dave Barry	2	13
5	BARBARIANS AT THE GATE, by Bryan Burrough and John Helyar	4	31
6	EVERY SPY A PRINCE, by Dan Raviv and Yossi Melman	9	3
7	MEGATRENDS 2000, by John Naisbitt and Patricia Aburdene	6	31
8	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	12	49
9	A NATURAL HISTORY OF THE SENSES, by Diane Ackerman	13	4
10	FATHER, SON & CO., by Thomas J. Watson Jr. and Peter Petre	7	12
11	CAPTAIN SIR RICHARD FRANCIS BURTON, by Edward Rice	11	8
12	INSIDE JOB, by Stephen Pizzo, Mary Fricker and Paul Muolo	8	2
13	LIAR'S POKER, by Michael Lewis	15	42
14	DON'T SHOOT, IT'S ONLY ME, by Bob Hope with Melville Shavelson	10	12
15	TOM LANDRY, by Tom Landry with Gregg Lewis		1
	ADVICE, HOW-TO & MISCELLANEOUS		
1	WEALTH WITHOUT RISK, by Charles J. Givens	2	80
2	HOMECOMING, by John Bradshaw	1	6
3	THE GREAT WALDO SEARCH, by Martin Handford	3	37
4	LIFE 101, by John-Roger and Peter McWilliams	5	7
5	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY (Merriam-Webster)		188

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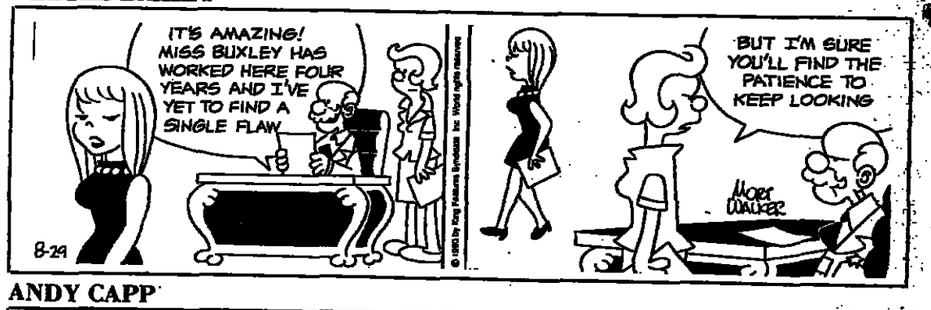

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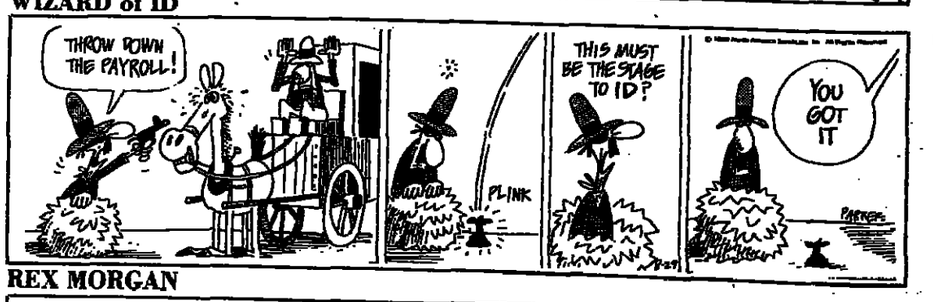

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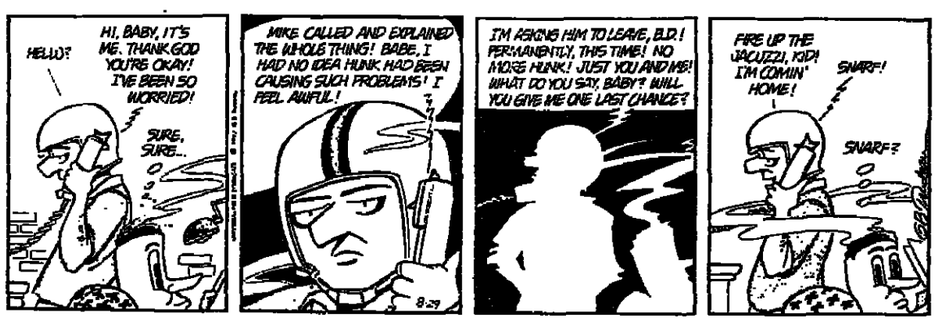

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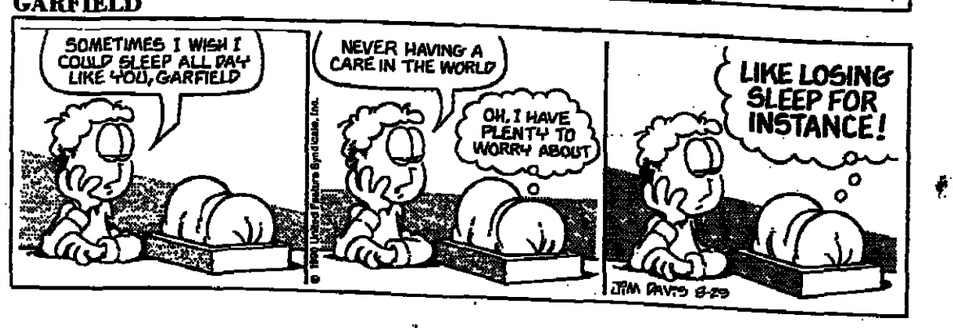

SPORTS

The Early Nominees For Heisman Ballot

By Dave Sheinin
Washington Post Service

WASHINGTON — The top five candidates for the 1990 Heisman Trophy don't even play college football. They have all gone pro, opting for big money over a chance at college football's most prestigious award.

Andre Ware, last year's Heisman winner out of Houston, was drafted by the National Football League's Detroit Lions, having passed up his senior year and a chance to become only the second two-time winner.

"I hate to see someone win it twice," said Dick Mansperger, the Dallas Cowboys' director of college scouting, "but all other things being equal, I think he would have won it again."

Major Harris, who attended West Virginia, plays for British Columbia of the Canadian football League. Emmitt Smith of Florida was drafted by the Cowboys, Rodney Hampton of Georgia is a New York Giant, and Jeff George of Illinois is an Indianapolis Colt.

With so many potential candidates out, this year's race is even more wide-open than usual.

Here is a look at promising Heisman contenders:

• Darian Hagan, Colorado. Hagan took over at quarterback last year after Sal Aunese was diagnosed as having cancer, and led the Buffaloes to an undefeated regular season, a Big Eight championship, and a showdown with Notre Dame in the Orange Bowl.

Hagan became only the sixth player in NCAA history to both run and pass for 1,000 yards (914 meters). He finished fifth in the Heisman race last year.

• Eric Bieneny, Colorado. Mansperger thinks Bieneny is the best player at Colorado.

Bieneny's 1989 was cut short in midseason by a broken leg, but the speedy tailback is back and, with Colorado's run-oriented offense, will get plenty of opportunities to carry the ball.

• Craig Erickson, Miami of Florida. The latest product of Quarterback U. (past Miami quarterbacks include Jim Kelly, Bernie Kosar, Vinny Testaverde and Steve Walsh), Erickson led the Hurricanes to the national championship last season.

He completed 147 of 273 passes for 2,003 yards and 16 touchdowns, but he missed four games with a broken knuckle.

• Ty Detmer, Brigham Young. As a sophomore last season, the quarterback picked up three first-place votes and finished ninth in the Heisman voting. He led the nation in passing efficiency and is being called the best quarterback to come out of BYU, which has produced Steve Young, Marc Wilson, Robbie Bosco and Jim McMahon.

• Emmanuel Hazard, Houston. Hazard was Ware's favorite target last year and many thought Hazard's numbers were even more impressive: a National Collegiate Athletic Association-record 142 catches for 1,689 yards and 22 touchdowns, another record. He also had 19 catches in a game twice.

• Ricky Ervins, Southern California. If Miami is Quarterback U., then USC must be Tailback U., having produced Mike Garrett, O.J. Simpson, Charles White and Marcus Allen, all Heisman winners.

Ervins led the Pacific-10 Conference in rushing in 1989, gaining 1,395 yards with 10 touchdowns. If he doesn't have a Heisman-quality year, maybe quarterback Todd Marinovich will. As a freshman last year, he threw for 2,578 yards.

• Raghib Ismail, Notre Dame. "The Rocket" burst out of the pack last season with a big game on national TV against Michigan. His versatility showed nowhere better than in the Orange Bowl victory over Colorado. Irish coach Lou Holtz switched Ismail from flanker to tailback, and he gained 116 yards and was named the game's most valuable player.

For the season, Ismail scored twice on kickoff returns, once on a punt return and three times rushing, but none receiving, though he averaged 22.2 yards per catch.

Notre Dame Strikes European TV Deal

The Associated Press

SOUTH BEND, Indiana — Notre Dame, the first school to negotiate its own television contract with a major network, is taking its act to European television.

The school has reached a tentative agreement to have its football games televised in six European countries for three years, beginning in 1990, the Notre Dame athletic director Dick Rosenthal said Tuesday.

The deal will allow London-based Screensport to use the feeds from Irish games being televised in the United States, Rosenthal said. Screensport is a satellite channel that reaches most of northern Europe.

European broadcasts will be live and tape-delayed, depending on starting times and market demand. England, Germany, the Netherlands, France, Italy and Ireland are targeted to receive the broadcasts.

In February, the Irish broke from the 64-team College Football Association to sign a five-year contract with NBC.

Mike Blake/Reuters

Stefan Edberg returning a backhand to Alexander Volkov of the Soviet Union on Tuesday. Edberg, Wimbledon champion and world No. 1, lost in three sets.

A Message for Connors: Wish You Were Here

Washington Post Service

VANTAGE POINT/Tony Kornheiser

NEW YORK — What do you mean, Jimbo's not playing? So he cramped up over the weekend against Lendl, so what? Give him some salt tablets. What, is he afraid the next step is mixed doubles with Lot's wife?

The U.S. Open without Jimbo? He's played in 20 straight; he'd already done eight at Forest Hills when they moved the tournament here to Flushing Meadow in 1978. Jimbo's spent more Labor Days in New York than the AFL-CIO. The Open without Jimbo? I don't think so. That's like a bar without stools, like turkey ham without cholesterol-free egg substitute, like Scorcese without DeNiro.

I'm sorry, but I didn't come all this way because my heart was aching to see Jay Berger and Jim "Purolator" Courier. And this is no easy trip anymore since big time tennis fan Mayor David Dinkins got the Federal Aviation Administration to change the landing patterns at LaGuardia to accommodate the tennis crowd. The good news is, you don't hear those big jets screeching over low enough to part the streaks in Andre Agassi's hair. The bad news is, now you're landing in Albany and grabbing a bus down. After all that trouble, at least you'd like to see Jimbo.

Tell you the truth, I think that's why it poured so bad Monday afternoon, came down sideways, hailing, like the clouds had exploded. God must have had tickets and got angry when Jimbo didn't show.

Jimbo was supposed to have played the ever popular Kevin Curren. You may remember Curren from the shellacking he applied to Jimbo in the 1985 Wimbledon semifinals: 6-2, 6-2, 6-1. Curren's serve was timed at approximately the same speed as an F-15. He'd toss the ball up and the umpire would yell, "Incoming!" Jimbo, who endlessly boasts that he leaves his "blood and guts" on the court, didn't even leave an impression. (I've heard him say that line so many times, "I leave my blood and guts out there," and I wonder what else Jimbo leaves out there. I picture two groundskeepers sweeping the courts late at night, and one finds a set of keys, an address book, a cassette of "Porky's," half a salami sandwich and a vial of hair dye, and holds them up, saying wearily, "Jimbo's.")

Or you may remember Curren from his 1985 encapsulation of what ailed the U.S. Open — the deafening planes, the snarled traffic, the sneering fans — and offered this sensitive solution: "They ought to drop the H-bomb on this place." Had Jimbo shown up, his match with Curren would have been on Center Court. Lacking Jimbo's candlepower, Curren was exiled to the anonymity of Court 6, where he quickly eliminated Shahar Perkiss and, presumably, drove his courtesy car straight to a fallout shelter.

I suppose there are other players worth watching. Agassi managed to fit this into his busy schedule; it was touch and go, though — Andre panicked when he saw the courts were green, but Nick and those adorable Bollettieris promised him the surface wasn't grass. The ghost of John McEnroe is here, however briefly. Becker, Lendl, Edberg, Graf, Navratilova, Seles, and Jennifer "The Money Store" Capriati are, too. But I miss Jimbo. He wasn't a poet like McEnroe and Borg, his strokes weren't as precise or as exquisite. But nobody in the open era won as many titles here as Jimbo. And on a late-summer night when you get caught between the moon and New York City, you could feel him prowling these hard courts like a wolf.

Granted, it made sense for him to drop out. He's a week shy of 38, and he hadn't played a regulation tournament since February; he could hardly be expected to go five sets for as many as seven matches in suffocating heat and humidity. Just a thought: Do they give you extra time during the changeover to insert a pacemaker? I hoped they might make an exception and shave Jimbo's matches to three sets, just so we could see him do that Stoke Me, Baby Boogie again. Full speed ahead and damn the arthritis.

If this is goodbye, I'll miss so many of Jimbo's signature gestures on the court: Jimbo waggling his rear end; Jimbo flipping somebody the bird; Jimbo grabbing his crotch.

And, of course, I'll never forget Jimbo's typically cheery courtside banter, which went something like this: "You (expletive) (expletive) are an (expletive) (expletive)! No (expletive) way, you (expletive) banana. Get (expletive) royally, and tell your (expletive) (expletive) (expletive) to leave me a dry towel." Jimbo's image doctors did a fabulous job transforming him from a street corner hooligan into Mr. PaineWebber. But I always found it amusing hearing Jimbo say, "Thank you, PaineWebber," knowing Jimbo's usual coda was a crude three-worder.

In closing, a Jimbo story: At the French Open this year Jimbo was working for NBC. A producer, seeking to get Jimbo on camera more, suggested he interview a particular player. Jimbo declined, saying, "That guy's a jerk." The producer suggested another player that Jimbo could interview, and again Jimbo declined, saying, "That guy hasn't talked to me in years." Other names were proffered. Jimbo had reasons for shunning each. Exasperated, the producer asked Jimbo, "Is there anyone you like? Is there anyone who'll talk to you?" Jimbo thought for a moment, then said: "Yeah. Eddie Dibbs."

Edberg Is Ousted In Open

Compiled by Our Staff From Dispatches

NEW YORK — Alexander Volkov shocked the world's top-ranked player, Stefan Edberg, on Tuesday, knocking him out of the U.S. Open and handing the Swede his second first-round loss in a Grand Slam tournament this year.

The Soviet defeated Edberg, the Wimbledon champion, 6-3, 7-6 (7-3), 6-2.

It was the first time the top men's seed had been eliminated in the first round at the U.S. Open since 1971, when Jan Kodes defeated John Newcombe.

Earlier, Wimbledon women's finalist Zina Garrison ousted Beate Reinstadler of Austria 6-1, 6-3, in one hour, 23 minutes.

On Monday, both defending champions advanced to the second round with Steffi Graf sandwiching a 6-1, 6-1 victory over Maureen Drake of Canada in between rain storms and Boris Becker scoring a 7-5, 6-3, 6-2 victory over Juan Aguilera of Spain.

But 1988 champion Mats Wilander made his earliest exit in nine years at the Open, losing to Brad Gilbert, 6-4, 3-6, 6-3, 7-5.

Gilbert came back from 2-5 down in the fourth set, fought off two set points and won five straight games to take the match.

For the 23-year-old Volkov, a member of the Soviet Davis Cup team and the 1988 Olympic squad, it was his biggest career victory. Last year, Volkov reached the third round of the U.S. Open.

Edberg's loss continued his string of up-and-down performances in Grand Slam tournaments this year. He reached the final of the Australian Open, but was forced to retire in the third set with an injury.

Then, at the French Open in May, he was upset in the first round by Sergi Bruguera of Italy. He followed that by defeating Becker to capture his second Wimbledon title in three years.

"I never felt comfortable hitting the ball," Edberg said. "The courts were very, very quick. I've been working hard and I knew it would be tough, but I didn't come up to the standard I needed to win."

Tim Mayotte, who at age 30 is ranked 30th in the world and is unseeded here after spending most of the last five years at or near the top 10, was beaten by 93d-ranked Thierry Champion of France, 7-5, 3-6, 6-3, 7-5 on Monday.

Thomas Muster of Austria, seeded sixth, advanced, 5-7, 6-4, 6-0, 3-0, after a case of dehydration-induced cramping paralyzed his Finnish opponent, Aki Rahimen.

(AP, NYT)

■ WCT Out of Business

World Championship Tennis, which staged the Tournament of Champions at the West Side Tennis Club, has gone out of business, The Associated Press reported from New York. The WCT directors, Lamar Hunt and Al G. Hill Jr., announced on Monday that the 23-year-old Dallas-based company has discontinued its tennis tournaments effective immediately.

Luca Bruno/The Associated Press

Salvatore Antibo kisses the track where he won gold in the European championships' 10,000 meters.

East German Women Sweep in 100

The Associated Press

SPLIT, Yugoslavia — Katrin Krabbe led an East German sweep in the women's 100 meters at the European Track and Field Championships on Tuesday. Linford Christie of Britain took the gold medal in the men's 100.

Krabbe, a 20-year-old world junior record holder, led the race from the start and powered to the finish in 10.89 seconds, the third-fastest time this season in the world and a European championships record.

The veteran Silke Moeller was a distant second at 11.10 and the third East German, Kerstin Behrendt, won the bronze medal in 11.17.

Christie, the Olympic silver medalist who is coming back after a string of injuries, trailed Daniel Sangouma of France but retained his title with a powerful burst in the last 10 meters. The Briton crossed the line in 10.60, the fastest in Europe this season.

Sangouma took the silver in 10.04, breaking up the chance of a 1-2 British finish. John Regis of Britain clinched the bronze medal in 10.07.

Heike Drechsler gave East Germany another gold medal, its third thus far in the competition, by winning the women's long jump in 7.30 meters. East Germany is competing as a separate team for the last time before German reunification.

SCOREBOARD

BASEBALL

Major League Standings

	W	L	Pct.	GB
AMERICAN LEAGUE				
East Division				
Boston	70	57	.551	—
Toronto	66	63	.512	5
Detroit	63	66	.489	10½
Baltimore	62	67	.468	10½
Cleveland	59	68	.465	11
Milwaukee	59	68	.465	11
New York	54	73	.425	16
West Division				
Oakland	79	48	.622	—
Chicago	73	53	.579	5½
Texas	66	62	.516	13½
Kansas City	64	63	.504	15
California	64	65	.496	16
Seattle	62	66	.484	17½
Minnesota	57	71	.445	22½
NATIONAL LEAGUE				
East Division				
Pittsburgh	74	53	.583	—
New York	70	58	.560	3
Montreal	66	61	.520	8
Chicago	60	66	.476	13½
Philadelphia	59	66	.472	14
St. Louis	58	69	.457	16
West Division				
Cincinnati	73	53	.579	—
Los Angeles	67	60	.528	6½
San Francisco	66	61	.520	7½
San Diego	60	66	.476	13
Houston	57	71	.445	17
Atlanta	49	78	.386	24½

Monday's Line Scores

AMERICAN LEAGUE

Boston 100 000 102—12 14 0
Cleveland 000 000 112— 4 8 0
Boddicker, Irvine (8) and Marzano; Candiotti, Ward (4), Valdez (9) and Alomar. W—Boddicker, 13-8. L—Candiotti, 13-9. HRs—Boston, Burks 2 (15), Marshall (2). Cleveland, C. Jones (10).

New York 011 000 020—4 10 0
Baltimore 000 000 000—0 4 0
Hawkins, Righetti (9) and Cerone; McDonald, Price (8), Schilling (8) and Tettleton. W—Hawkins, 5-10. L— McDonald, 5-3. Sv—Righetti (28). HRs— New York, Barfield (19), Nokes (19), Kelly (13).

Chicago 000 000 000—0 4 1
Minnesota 302 000 11x—7 9 0
Perez, Patterson (8) and Karkovice; Anderson and Harper. W—Anderson, 6-16. L—Perez, 11-12. HR—Minnesota, Larkin (5).

Milwaukee 000 101 200—4 6 0
Toronto 020 000 000—2 6 2
Higuera and Surhoff; Wills, Acker (6) and Borders. W—Higuera, 8-6. L—Acker, 2-4.

Texas 100 000 200—3 10 0
California 001 002 04x—7 7 1
Haught, Barfield (6), Arnsberg (8) and Stanley; Finley, Fraser (7), Harvey (9) and Parrish. W—Fraser, 5-3. L—Barfield, 3-1. Sv—Harvey (19). HR—California, White (10).

NATIONAL LEAGUE

San Diego 000 110 200—4 10 0
Montreal 010 000 000—1 7 1
Whitson, Lefferts (9) and Santiago; Boyd, Ruskin (7), Sampen (9) and Fitzgerald. W—Whitson, 11-7. L—Boyd, 7-5. Sv—Lefferts (22). HRs—San Diego, Carter (21), Templeton (8).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	77	36	0	.664	—
Hiroshima	52	48	1	.520	15½
Chunichi	53	54	1	.495	18
Taiyo	50	57	2	.495	18
Yakult	45	56	0	.446	22
Hanshin	41	67	0	.380	30½

Pacific League

	W	L	T	Pct.	GB
Seibu	66	29	4	.687	—
Orix	53	45	3	.540	14½
Nippon Ham	51	48	1	.515	16½
Kintetsu	51	49	1	.510	17
Lotte	38	54	2	.413	26
Daiei	32	66	3	.332	35

TUESDAY'S RESULTS

Yomiuri 3, Hanshin 1
Hiroshima 3, Chunichi 1
Kintetsu 7, Nippon Ham 3
Lotte 10, Daiei 2
Seibu 7, Orix 1

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Optioned Chris Holles, infielder, to Rochester, International League. Recalled Jose Mesa, pitcher, from Rochester.

CALIFORNIA—Put Donnie Hill, infielder, on 15-day disabled list. Recalled Jack Howell, third baseman, from Edmonton, Pacific Coast League.

FOOTBALL
National Football League

ATLANTA—Signed Chris Hinton, offensive guard. Waived Jason Kuipers, center; Albert Thomas, Kenny Johnson, Kevin Guidry and William Evers, defensive backs; Jackie Cline, defensive end; Gree Ross and Randy Watts, defensive linemen; Darrell Jordan, linebacker; Scott Barrows, guard; Scott Adams, offensive tackle; Chris Ellison, safety; Mark Hopkins, tight end; and Dana Brinson and Gary Lee, wide receivers.

BUFFALO—Agreed to terms with Thurman Thomas, running back, on two-year contract extension. Waived Fred DeRigal, nose tackle; Jason Novacek, tight end; Michael Adams, cornerback; Clyde Glover, defensive lineman, and Greg Smith, offensive lineman.

CHICAGO—Agreed to terms with Steve McMichael, defensive lineman.

CINCINNATI—Waived John Holifield, running back; Craig Patterson, nose tackle; and Andre Riley, wide receiver.

CLEVELAND—Waived Ellis Dillahunt, safety; Anthony Florence and Mike Wallace, cornerbacks; Kevin Simons, Pete Scott and Matt Patchin, offensive linemen; Kevin Sprinkles, tight end; and Kerry Simien, wide receiver. Placed Kyle Kramer, safety, and Tim Manoa, fullback, on injured reserve.

DETROIT—Agreed to terms with Andre Ware, quarterback, on four-year contract. Waived Gary Richard, cornerback; Delmar Chesley, linebacker; Curtis Wilson, center; and Mark Hatfield, offensive tackle.

GREEN BAY—Waived John Spanola and Mark Keel, tight ends; Van Jakes, defensive back; James Cribbs and Willie Fears, defensive ends; Scott Kirby, Paul Berardelli, John Duren and Vince Strath, offensive linemen; Kirk Baumgartner, quarterback; Steve Avery, Damon Stell and Harry Jackson, running backs; Jerome Martin, safety; and Troy Martin, wide receiver.

HOUSTON—Waived Reggie Slack, quarterback; Keith Fribery and Tim Crawford, defensive ends; Byron Darby, defensive tackle; Cedric Gordon, Al Owens and Carl Harry, wide receivers; Cleveland Colter, safety; Lonnie Finch and Mark Jackson, cornerbacks, and Kurt Digiacomo, guard. Placed Willie Snead, wide receiver, on injured reserve, and Brett Tucker, safety, on reserve-non football injury list.

LOS ANGELES RAIDERS—Waived Ron Lewis and Sammie Archer, wide receivers; Myron Jones, running back; Bruce Klostermann and Joe Campbell, linebackers; George Streeter, safety, and Arthur Walker, defensive tackle. Put Newt Harrell, guard, on injured reserve.

MIAMI—Waived Fred Highsmith, running back; Paul Sottile, linebacker; and Pee Wee Smith and Ricardo Cartwright, wide receivers.

NEW ORLEANS—Waived Gerry Gdowski, defensive back; Broderick Graves, running back; Webbie Barnett, nose tackle; Daniel Lilmotte and Buddy King, offensive tackles; and Jerome McIntosh, wide receiver.

NEW YORK JETS—Traded the rights to Reggie Rembert, wide receiver, to Cincinnati Bengals for Joe Kelly, linebacker, and Scott Jones, offensive tackle. Signed with Jim Sweeney, offensive lineman, to four-year contract. Waived Carl Howard, cornerback; George Radochowsky, safety; Demetrious Douglas, linebacker; and Jeff Oliver, offensive tackle. Put Marty Lyons, defensive tackle, on injured reserve. Put Terry Williams, cornerback; Rich Miano, safety; and Pat Kelly, tight end, on physically-unable-to-perform list, and Paul Frase, defensive end, on reserve-non-football illness list.

NEW YORK GIANTS—Waived Aaron Emanuel, fullback; Billy Smith, punter; Scooter Molander, quarterback; Otis Moore, nose tackle; Rich Apotskis, offensive lineman; Clarence Seay and Bruce Lang, wide receivers; Tracy Gravely, defensive back; and Mike Sheppard, defensive end. Put Joe Fishback, defensive back, on injured reserve.

PHILADELPHIA—Signed Maurice Henry, linebacker. Waived Demitrius Harrison, linebacker.

PHOENIX—Waived David Edem, defensive end; Jeff Moffis, defensive tackle; Lance Prouty, offensive tackle; Win Lyle, kicker; Michael Johnson, quarterback; DeWaine Jones, Lydell Carr and Tony Baker, running backs; Willie Williams, tight end; and Tyrone Shavers, wide receiver. Put Darren Flutie and Bill Hess, wide receivers; Reggie McKenzie, linebackers; John Burch and Tony Jordan, running backs; and Jeff Walker, offensive guard, on injured reserve.

PITTSBURGH—Waived Mace Goulasby, defensive lineman; Mitch Lee, linebacker; and Bob Gordon, wide receiver. Put Chuck Lanza, center, on injured reserve.

SAN DIEGO—Signed Junior Seau, linebacker, to five-year contract. Waived Ken Berry, cornerback; Dave Colonna and Tonnie Stowers, tight ends; Derick Debnam and Mike Estes, defensive ends; Patrick Moorer, linebacker; and Doc Wise, linebacker. Put Chris Goetz and Ike Simmonds, guards; Wayne Walker, wide receiver; David Poole, cornerback; and Ken Woodard, linebacker, on injured reserve.

SAN FRANCISCO—Agreed to a contract extension with Jesse Sapolu, center.

SEATTLE—Waived Dave Ahrens and Donald Miller, linebackers; Mark Bellini, wide receiver; Lavern Blaylock, cornerback; Art Hunter, safety; Randy Gray, defensive end, and Todd Oberdorf, offensive tackle.

TAMPA BAY—Waived Curt Watts, offensive lineman; Ed Thomas, tight end; Stevie Thomas, wide receiver; Tony Citizen, running back; Benji Roland, defensive end; Pete Najarian, linebacker; Evan Cooper, defensive back; and Todd Hammel, quarterback.

WASHINGTON—Waived Kent Wells, defensive tackle; Thomas Rayam and Romel Andrews, defensive ends; Roy Bennett and Dan Cressman, defensive backs; Chris Armstrong, Marcus Cherry, Paul Smith and Percy Waddle, wide receivers; Byron Forsythe, center; and Kevin McArthur, linebacker.

COLLEGE

ARKANSAS—Reinstated Scott Lona, defensive tackle, and Ty Mason, linebacker, to

CRICKET

England vs. India
At the Oval, England
Test 3, Day 5, Tuesday
1st Innings: India 606-9 (declared)
England 349
2nd Innings: England 477-4 (declared)
England won match

TENNIS

U.S. Open

Results Monday at the $6.25-million U.S. Open held at the USTA National Tennis Center (seedings in parentheses):

Men Singles
First Round

Gary Muller, South Africa, def. Roberto Azar, Argentina, 6-3, 3-6, 6-1, 6-2; Thomas Muster (6), Austria, def. Aki Rahunen, Netherlands, 5-7, 6-4, 6-0, 3-0, retired; Fabrice Santoro, France, def. Ivan Baron, U.S., 6-2, 6-4, 6-4; Jaime Yzaga, Peru, def. Karel Novacek, Czechoslovakia, 7-5, 7-6 (7-4), 6-3; Peter Lundgren, Sweden, def. Chris Garner, U.S., 6-1, 6-2, 6-2.

Anders Jarryd, Sweden, def. Simon Youl, Australia, 3-6, 7-5, retired; Kevin Curren, U.S., def. Shahar Perkiss, Israel, 6-4, 6-4, 6-1; Thierry Champion, France, def. Tim Mayotte, U.S., 7-5, 3-6, 6-3, 7-5; David Engel, Sweden, def. Mario Rincon, Colombia, 6-4, 6-2, 6-2; Jim Courier (14), U.S., def. Wally Masur, Australia, 6-4, 6-0, 5-7, 6-1.

Alex Antonitsch, Austria, def. Mark Kaplan, South Africa, 3-6, 6-2, 6-1, 6-0; Mal Vai Washington, U.S., def. Alberto Mancini, Argentina, 6-2, 6-4, 6-3; Boris Becker (2), West Germany, def. Juan Aguilera, Spain, 7-5, 6-3, 6-2; Pete Sampras (12), U.S., def. Dan Goldie, U.S., 6-1, 7-5, 6-1; Paul Annacone, U.S., def. Patrik Kuhnen, West Germany, 7-6 (7-4), 7-5, 6-4.

Martin Jaite (16), Argentina, def. Martin Blackman, U.S., 6-3, 6-4, 6-3; Jonas Svensson, Sweden, def. Todd Woodbridge, Australia, 7-6 (7-3), 6-2, 3-6, 6-2; David Wheaton, U.S., def. Jordi Arrese, Spain, 6-3, 6-1, 6-0; Brad Gilbert (8), U.S., def. Mats Wilander, Sweden, 6-4, 7-6, 6-3, 7-5.

Women Singles
First Round

Monica Seles (3), Yugoslavia, def. Elena Pampoulova, Bulgaria, 6-0, 6-0; Sandra Cecchini, Italy, def. Jana Pospisilova, Czechoslovakia, 6-3, 6-1; Julie Halard, France, def. Brenda Schultz, Netherlands, 6-2, 6-4; Dinky van Rensburg, South Africa, def. Eva Svigleova, Czechoslovakia, 6-3, 6-1; Natalia Medvedeva, Soviet Union, def. Terry Phelps, U.S., 6-4, 6-2.

Rosalyn Fairbank-Nideffer, U.S., def. Petra Langrova, Czechoslovakia, 6-3, 1-6, 6-2; Katia Piccolino, Italy, def. Angeliki Kanellopoulou, Greece, 7-6 (7-3), 6-3; Sylvia Hanika, West Germany, def. Bettina Fulco, Argentina, 6-3, 1-6, 6-4; Helen Kelesi, Canada, def. Amanda Coetzer, South Africa, 7-5, 4-6, 6-3; Sabine Appelmans, Belgium, def. Catarina Lindqvist, Sweden, 6-4, 6-7 (6-8), 6-4.

Helena Sukova (11), Czechoslovakia, def. Jo Durie, Britain, 1-6, 7-6 (7-3), 7-6 (7-5); Isabelle Demongeot, France, def. Sandy Collins, Odessa, Texas, 6-3, 6-3; Larisa Savchenko, Soviet Union, def. Regina Rajchrtova, Czechoslovakia, 6-3, 1-6, 6-3; Shaun Stafford, U.S., def. Anne Minter, Australia, 6-1, 6-3; Miriam Oremans, Netherlands, def. Stacey Martin, U.S., 6-3, 3-6, 6-2; Steffi Graf (1), West Germany, def. Maureen Drake, Canada, 6-1, 6-1.

Mary Joe Fernandez (8), U.S., def. Ann Henrickson, U.S., 6-1, 6-1; Halle Cioffi, U.S., def. Susan Sloane, U.S., 7-6 (10-8), 6-3; Ann Grossman, U.S., def. Peanut Louie Harper, U.S., 2-6, 6-4, 6-4; Laura Garrone, Italy, def. Gigi Fernandez, U.S., 6-4, 7-6 (7-5).

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FOOTBALL

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(Continued From Back Page)

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OBSERVER

Koppel et al. of Arabia

By Russell Baker

NEW YORK — He had been the first to get into Baghdad. That's why they called him Koppel of Arabia. The name had weight. Before he was Koppel of Arabia he had been just another Ted.

Well, admittedly, not just any old Ted. How many Teds, after all, had their own "Nightline" on ABC television? But those publicity-starved politicians he interviewed for all America just before the witching hour each night all called him just plain Ted.

It was never "Mr. Koppel." Sure, there was the faint slurp of boot-licking in the way they said "Ted," as if to suggest to America's millions that they and "Ted" were old fraternity brothers. There was a plea for mercy, too, in that "Ted":

"I'm calling you 'Ted' because even though I'm a famous politician I want to be your pal, Ted, so don't humiliate me with an embarrassing question in front of America's millions, Ted."

And now, Koppel of Arabia.

It was noted at CBS. That's why one evening America's millions heard ecstatic shouts of discovery from their children, who had been searching the telly for old Popeye cartoons and lubricious MTV videos.

"It is Rather of Arabia," chorused millions of youths who had stumbled across CBS in their quest for mindlessness and sex. Yes, Dan Rather had reached Baghdad.

□

Old-timers said, okay, Koppel of Arabia and Rather of Arabia gave the United States plenty of anchor muscle in the date-and-fig belt, but what about the days when we had Peter O'Toole, Anthony Quinn and Omar Sharif all sheeted up at the same time for action in deep sand?

Maybe O'Toole, Quinn and Sharif weren't big, big anchors, but they were big, big stars with excellent diction, which meant they could have done a terrific job of telling America the desert was very hot before turning the audience back to the nobodies manning the networks back home.

As if to demolish the memory of O'Toole, Quinn and Sharif, NBC almost instantly produced Brokaw of Arabia squinting into intense heat.

Then one morning an America desperate for news — was the desert still hot? — awoke to discover — yes, yes —

Gumbel of Arabia!

Back in mild-temperatured America, non-desert events continued to occur, but since all anchors had become Anchors of Arabia these events lost their power to affect humanity.

The cost of the savings and loan scandal continued to rise uncelebrated as the lure of sand and camel drew ever more TV news powers into a vortex incredibly rich in photo opportunities.

□

Suddenly, for example, there was Sawyer of Arabia, and millions of viewers said, "Diane Sawyer?" while thousands who had once read a book said, "Tom Sawyer?"

It was Forest Sawyer, a reporter everybody had seen on one of the breakfast shows long before Bryant Gumbel became Gumbel of Arabia.

His low name recognition, however, created problems. You couldn't call him Forest Sawyer of Arabia. The whole point of being "of Arabia" was that it was so glamorous that one name ought to say it all. It had always been "Lawrence of Arabia," not "T. E. Lawrence of Arabia."

Before the United States could solve the problem of how to deal with Forest Sawyer of Arabia, its attention was riveted on a new old beloved figure standing in the sand.

America's children who love him more than Popeye cartoons and almost as dearly as lubricious MTV videos squealed in delight: "It's Sam Donaldson and he's in Arabia."

Millions of parental American viewers stirred from their slumber to find, sure enough, Sam of Arabia. Right there, barely 20 feet behind him, he said, was the Iraq border across which death might come hurtling at any instant. The jaw muscles of Sam of Arabia clenched bravely, signifying readiness to accept death if such must be the price of bringing America news that the desert was very hot.

Cued by Sam Donaldson's showing, millions in the audience naturally asked the logical question: "Where is Chung of Arabia?"

Other millions who read People magazine had the answer: She is trying to have a baby. That's the other news this month.

New York Times Service

Dostoyevsky, Janacek And an Opera for Now

By Harlow Robinson

NEW YORK — The novels of Fyodor Dostoyevsky pack enough violence, sex and intrigue to make Tosca blush, but they have inspired surprisingly few operas. Perhaps composers balk at their sheer mass, or at all those feverish philosophical dialogues.

Only two major composers have attempted Dostoyevsky operas. One, "The Gambler" (completed in 1917 and revised in 1928), was Sergei Prokofiev's first opera. The other, "From the House of the Dead" (completed in 1928), was the last opera of Leos Janacek (1854-1928). Both works have been slow to enter the international repertory, and until now neither has been staged by a major American company. But the Chicago Lyric Opera will mount "The Gambler" in the 1991-92 season, and on Tuesday the New York City Opera unveiled its new production of "From the House of the Dead," sung in English and using English supertitles.

Rhoda Levine, who is staging it at City Opera, first suggested that the company do the work, which she had already directed for a 1969 WNET Opera Theater broadcast and for the Netherlands Opera. European audiences know Janacek's operas much better than Americans. In England, says Christopher Keene, City Opera's general director, "Janacek has become a repertory composer. He's as popular there as Richard Strauss, if not more so."

Janacek based his opera on a hybrid piece of autobiographical fiction that Dostoyevsky called "Notes From the Dead House." A thinly veiled account of the writer's own experiences, it appeared in serial form between 1860 and 1862, re-establishing his reputation after 10 years of Siberian imprisonment and exile.

In 1849, at age 27, Dostoyevsky was arrested along with the other members of a socialist discussion group. Condemned to death, he was dramatically reprieved as he stood before the firing squad. He then served four years in a prison labor camp near Omsk (Aeroflot stewardesses now dispense this as chatty tourist information to passengers about to land there), followed by six years of exile in the remote city of Semipalatinsk.

Dostoyevsky invents a narrator — Alexander Petrovich Goryanchikov. A nobleman, Goryanchikov (his name comes from a Russian word for grief or misfortune) was sentenced to 10 years — not for political activity, but for murdering his wife. After being released, he recorded his prison observations in a journal later "discovered" by Dostoyevsky. Plotless and devoted primarily to trenchant portraits of prisoners, this semijournalistic work led to a public outcry against Russia's penal system.

> **An opera that is 'very current, if we will only look around us.'**

Janacek shared Dostoyevsky's obsession with sinners and criminals, repentance and retribution, and the relativity of guilt and innocence. Born in rural Moravia, part of present-day Czechoslovakia, where he spent most of his life, this highly individual composer often made murderers and adulterers sympathetic protagonists in his operas.

With its perpetual concern for large spiritual questions, Russian literature fascinated Janacek, an ardent Russophile. Not only did he teach himself Russian, he was also the host of a Russian circle in his home city of Brno, gave his children Russian names (Olga and Vladimir), traveled to Russia and wrote enthusiastically of his experiences there.

During the last 10 years of his life, his most productive, Janacek composed four major works inspired by Russian literature: the orchestral rhapsody "Taras Bulba" (Gogol), a string quartet prompted by Tolstoy's story "The Kreutzer Sonata," "Katya Kabanova" (from an Ostrovsky play) and "From the House of the Dead." Janacek wrote his own libretto for this work, making many changes in Dostoyevsky's text for dramatic effect.

The opera provides more hope than Dostoyevsky's story. Goryanchikov becomes a sympathetic, though still far from conventional, protagonist; a political prisoner (as Dostoyevsky was), rather than a murderer, and an accepted member of the collective, not an alienated intellectual. At the opera's end, Goryanchikov is freed unexpectedly; in the novel, he simply serves his term. The composer times the protagonist's release to coincide with that of an eagle nursed back to health by the prisoners; in Dostoyevsky, the eagle is still injured when freed.

For musical variety, Janacek expanded the character of a young Tatar, Alyeya, who befriends Goryanchikov. He made this a trouser role for soprano, one of only two female voices in the opera. (The other is a prostitute.)

Like Dostoyevsky's "Notes," the opera really belongs to the "chorus" of prisoners, who tell of the crimes that brought them to Siberia: murders driven by sexual jealousy, unbearable oppression or a fierce need for self-expression. In Act 3 in the prison hospital, Shishkov tells the long, passionate story of Akulka, whom he murdered after learning that she preferred his roguish rival, Filka Morozov. In a twist missing in Dostoyevsky, Shishkov then recognizes Filka as the prisoner who has just died on the bed nearby.

Musically, "From the House of the Dead" represents Janacek at the height of his powers. The orchestra, important in all his operas, dominates this one.

"The score is transparent, almost chamberlike in its construction," says Keene, who conducts this production. "Janacek scores at the top and the bottom, leaving the space in the middle almost unimpeded for the human voice. All those nonmusical sounds he put in are fascinating — saws, chains, pickaxes and whips. He was a genius at characterization, and the score has plenty of beautiful long-breathed melodies."

Carol Rosegg/Martha Swope Associates

Barbara Shirvis (Alyeya) and Harlan Foss (Goryanchikov) rehearse New York City Opera's "From the House of the Dead."

City Opera is using an edition prepared and recorded by Charles Mackerras. Janacek died before the vocal score was prepared. Soon after, the composer's students Bretislav Bakala and Osvald Chlubna prepared a score marred by numerous changes and simplifications. Their most egregious error was to end the opera with Goryanchikov's optimistic words "freedom, freedom," not the abrupt resumption of the prisoners' march intended by Janacek.

Later, Rafael Kubelik produced a more accurate version that he conducted at the Hamburg State Opera in 1972. After working in Janacek's archives in Czechoslovakia, Mackerras, who as a young conductor trained in Czechoslovakia and is a Janacek specialist, prepared a still more extensive and faithful restoration.

"This opera's message has hardly ever been more relevant than it is right now," Keene said, alluding to the political upheavals in Eastern Europe. "Janacek tells us that escape from tyranny is possible, that optimism is not entirely unfounded and that every human being, no matter how flawed, contains some spark of divinity. To look for the genuinely good in other people is a goal we need to remind ourselves of daily."

Levine finds that the opera also speaks directly to the troubled life she sees in New York today. "Perhaps Americans resist confronting the difficult issues that this opera raises," she says. "We don't want to think about the relationship between criminals and their keepers, and how alienated people can be from each other — but we must. This opera is very current, if we will only look around us."

Harlow Robinson, the author of "Sergei Prokofiev: A Biography," and a teacher at the State University of New York at Albany, wrote this for The New York Times.

PEOPLE

NEA Rejects Appeals Of 4 Denied Grants

The National Endowment for the Arts says grants for four avant-garde theater performers were vetoed because the agency's chairman, John E. Frohnmayer, decided their work would not "enhance public understanding and appreciation of the arts." The performers, Karen Finley and Holly Hughes of New York and Tim Miller and John Fleck of Los Angeles, who appealed Frohnmayer's decision, have been told that their appeals were denied. Public performances by the four, each of whom had received NEA grants in the past, involve monologues and other stage routines that generally deal with politics, racism and sexual oppression and frequently include strong sexual content. Federal grants for the four were approved last spring by an NEA "peer review" panel of artists, but Frohnmayer took the rare step of overruling the recommendations. Lawyers for the four said they would sue the NEA, charging that the decision was political rather than aesthetic.

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The son of Italian automobile magnate Giovanni Agnelli will appear in court in Kenya on Sept. 21 charged with possessing heroin. Edoardo Agnelli, 36, was arrested with two Kenyan friends at the Indian Ocean coast resort of Watamu a week ago, after they were caught with 300 grams (10.5 ounces) of heroin, the police said.

□

An entrepreneur from Ghana and a statesman from Nigeria will share the $100,000 Africa Prize for Leadership, to be awarded next month by the Hunger Project of San Francisco. Esther Afua Ocloo, 71, managing director of Nkulenu Industries Ltd., and Olusegun Obasanjo, 53, former Nigerian head of state, are to be honored for their efforts to overcome starvation by stimulating food production. Ocloo's company produces and distributes food from commodities grown in Ghana. She also was a founder of the Ghana Manufacturer's Association and Women's World Banking, which promotes entrepreneurship among women. Obasanjo, head of state from 1976 to 1979, sought to enhance local food production by peasants. He also helped found the Africa Leadership Forum two years ago.

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